Executive

Moving Forward on Health and Care Reform

Item no: 6

Report by:	Sarah Sturrock	**Job title:**	Strategic Lead, Health and Adult Services
Date:	23 June 2015		
Contact Officer:	Sarah Sturrock		
Telephone:	020 7934 9653	**Email:**	sarah.sturrock@londoncouncils.gov.uk

Summary This paper explores steps in three particular areas in which London boroughs could seek to make progress within 2015/16 to move forward on health and care reform, both to make progress on improving outcomes and to strengthen the foundations for more ambitious care reform requiring devolution. It seeks the Executive's views on collective aspirations and actions to support locally driven work in these areas.

Recommendations The Executive is asked to discuss their aspirations for how progress can be made within existing powers to move forward on health and care reform within 2015/16. In particular, the Executive is asked to:

1. agree a common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform within 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year;

2. agree that London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in this paper; and

3. agree a common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London within 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models.

MOVING FORWARD ON HEALTH AND CARE REFORM

Background

1. The Executive and Leaders Committee have recently clarified their ambitions for health and care reform and devolution as a way of improving outcomes for citizens and addressing the challenges facing both systems. Discussions are continuing to explore the case for specific devolution asks of government or the NHS, to support or unlock health and care reform in the capital. These include a discussion with the Mayor and Simon Stevens in the next month.

2. In the meantime, it is clearly recognised that significant progress can be made on health and care reform within existing powers. The need to improve outcomes and drive greater efficiency in the light of the impact of austerity on the NHS and local government makes such progress imperative. Achieving this will also strengthen the case for any devolution proposals we choose to pursue.

3. This paper therefore considers three key areas in which significant progress could be sought within 2015/16:
    - strengthening Health and Wellbeing Boards;
    - driving integration; and
    - establishing sub-regional working.

4. The Executive is invited to consider and help shape London boroughs' collective aspirations around each of these and what roles London Councils can play in supporting this.

Strengthening Health & Wellbeing Boards

5. Shared Intelligence carried out research[1] for London Councils, published in March, setting out a clear picture of the state of London's Health and Wellbeing Boards. It demonstrates that there is strong commitment to the Boards and they have already made a range of important contributions to driving health and care outcomes and service improvements locally. However, it also identified that no London Boards are yet fully operating in the system leadership role to which they aspire. Further Shared Intelligence work for the LGA has confirmed that the picture in London is similar to that across England.

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

6. Discussions in the London Health & Wellbeing Board Chairs Network recently confirmed shared ambitions to further strengthen the effectiveness and powers of Boards. While this will need to be driven through local commitment and action, being able to demonstrate visible progress on this across London – and its impact in shaping and unlocking progress on health and care reform in the capital – during 2015/16 will be a powerful signal of commitment and readiness to take on any devolved powers. We therefore propose to refresh the stocktake of London's Boards around the end of this year.

7. There are a range of tools available to support local action to strengthen Boards, including a programme of LGA leadership and peer support underpinned by funding from the Department of Health. Some London Boards have already accessed this and found it useful. London Councils will help facilitate increased access to this support, including shaping lighter touch facilitated peer support for those who are not ready for or cannot resource full peer reviews. We will also continue to support the Chairs network and an officer leads network to support local efforts to increase the impact of Boards, as well as making the case for increasing Boards roles and influence in health and care reform.

8. In considering how they should strengthen themselves, Boards will also need to consider whether there is in place suitably robust wider infrastructure locally to drive more significant and effective collaboration on improving outcomes and system change eg joint/aligned commissioning arrangements, use of appropriate s75 agreements, etc.

9. **The Executive is asked to agree a common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform within 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year.**

Driving integration

10. While integration is not the solution to all the challenges facing health and care, it is a critical contributor to improving service quality and personalisation, as well as aligning spend to contribute to improving efficiency. Across London there has been real progress on integration and the capital has a good range of examples

of best practice and innovation. But there is still considerably more to do to deliver full integration. Making visible progress on this in the year ahead is a further way of strengthening health and care collaboration and demonstrating London's commitment to reform.

11. The Better Care Fund has provided a powerful catalyst for local collaboration between boroughs and CCGs to increase the scale and pace of integration and has created an important role for Health and Wellbeing Boards that supports their development as forums for system leadership. Despite many frustrations about its surrounding bureaucracy, this approach – of joint planning, pooling budgets and aligned or joint commissioning – is clearly the way forward. Boroughs and their partners are now focussing on delivery of their 2015/16 Better Care Fund Plans. Successful management of this, in the face of growing challenges in the system, will be a significant contribution to demonstrating progress on health transformation and reform.

12. However, the single year plans are not sufficient in themselves. If London wants to demonstrate its commitment to real progress on reform, building on these in ambitious ways over the next few years will be important.

13. In the light of the government's manifesto commitment to integrating health and care through the Better Care Fund, London Councils officers have been exploring with boroughs and CCGs how to frame broad ambitions for the future development of the Fund, learning from the experiences to date. One thing that is clear is that waiting until the publication of the Comprehensive Spending Review in the late autumn for a government steer about how the BCF should develop in 2016/17, would seriously curtail the ability for local shaping of genuinely joint ambitions for furthering integration in that year – and would particularly impede the development of Health & Wellbeing Boards' role in this. Therefore, we are seeking to develop a call to government to clarify the approach to BCF in 2016/17 before the summer, to enable local work to be driven on a more reasonable timeline. We hope to be able to agree this jointly with CCGs, recognising the increased power of a collective call from local commissioners in the capital.

14. In making this call, there is an opportunity to make proposals to shape the development of more detailed national guidance. While reflecting a common

commitment to making significant real progress on integration, these should retain freedom for local priorities and ambitions to shape the specific way in which integration is driven forward locally.

15. We think the proposals should include:

    a. *extending scope* – integration has mostly been focused on the frail elderly where it is clearly critical. But many other groups of people should be able to benefit from integrated services, for example children, those with mental illnesses, learning disabilities, working age adults with multiple long term conditions, or those suffering particular health inequalities. Expanding scope could also involve extending integration to different service areas eg primary care or housing. The focus for extending scope should be for local determination, reflection population priorities.

    b. *extending scale* – BCF 2015/16 required the pooling of £3.8 billion (of which over £1.1 billion was already money that came to local government) and in fact has achieved £5.4 billion across England. But, this is still a very small proportion of overall health and care spend, so if the BCF is to become more influential in the system a greater proportion of funding needs to be included in it or closely aligned to it. A goal of doubling the minimum funding in the pooled pot in 2016/17 would be a meaningful step forward. In London this would mean an increase from a minimum of £588 million in 2015/16 to £1.176 billion – although, of course, local partners could agree to be even more ambitious. As well as starting to make the BCF a more influential proportion of total spend, this is an opportunity to make the case for funding from NHS England to be included, alongside increased amounts of CCGs' and local authorities' social care and public health budgets being brought into the pot.

    c. *making prevention and early intervention a mandatory component of BCF* – given government and NHS commitment to placing greater priority on prevention and the importance of starting to rebalance activity towards it, the BCF should be a vehicle for making a reality of this. This supports the case for some NHS England national transformation funding to be included in the pooled budgets, reflecting the fact that prevention cannot

always yield a return on investment within the financial year of a BCF plan.

d. *building links between planning at different geographical levels* **–** both BCF and system resilience plans (being developed by the NHS around acute hospital footprints to seek to manage seasonal and other pressures) have strong focuses on reducing unnecessary admissions and facilitating timely discharges from hospital. System resilience (formerly 'winter pressures') funding has now been included in CCG baselines rather than being announced in year and run as a separate programme. Therefore, inclusion of CCG's system resilience funding in BCF pooled budgets would ensure the need to align planning at different geographical levels and thus boost overall efficiency and resilience.

e. *removing nationally mandated payment for performance* – these have been driven by national concerns about costs falling on the NHS if BCF plans fail to deliver reductions in admissions. While integration must continue to play a role in reducing planned and unplanned hospital admissions, the management of BCF delivery risks – for hospitals and for other outcomes including reducing residential care home admissions - should be locally owned. Local authorities and CCGs should therefore be required to develop local risk-share deals to address this.

f. *strengthening alignment of commissioner and provider plans* – this was an issue of particular concern to NHS England and government in 2015/16 planning. Some of their concerns stem from the variability of engagement with providers locally, including through Health and Wellbeing Boards. But part of the problem is also the mis-alignment of incentives for providers to base their plans on commissioner's ambitions for reduced hospital activity. A commitment from local authorities and CCGs to strengthen their engagement with providers should therefore be balanced with a clear requirement from government on provider regulators (Monitor/NTDA) to require alignment with commissioner planning assumptions as part of their assurance of provider plans.

g. *streamlining assurance and performance management bureaucracy around BCF plans* – there must be a reduction in the national process and

bureaucracy, which has over-dominated and distorted the BCF process for 2015/16. We believe a more risk-based proportionate approach could be adopted, incentivising greater local responsibility. In London, joint working between London Councils, the London Association of Directors of Adult Social Services and NHS England (London) sought to manage national processes in a more responsive way and this contributed positively to London's BCF plans generally securing earlier assurance. This should be built on for future years.

h. *encouraging the development of longer term locally driven transformation plans* – while, pending the outcome of the Comprehensive Spending Review, we are focussing on how BCF should develop in 2016/17 we would want to it to evolve further to enable longer term planning, rather than just a year by year focus. As a foundation for this and to demonstrate the credibility of locally led approaches, the BCF plans should include broad roadmaps for how local partners want to take forward their integration ambitions over the rest of this parliament.

16. **The Executive is asked to agree that London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in this paper.**

Developing sub-regional working

17. The Executive and Leaders' Committee discussions about health and care reform and devolution have all clearly acknowledged that this will need to be undertaken through working at different spatial levels. While local government will always want to reinforce a principle of subsidiarity, with responsibilities and action devolved to the lowest possible level, we have acknowledged that some important reforms will need to be driven by working at local health economy and sub-regional levels.

18. CCGs are already strengthening their sub-regional arrangements, both as a means of securing delegation of responsibilities from national or regional levels within the NHS and to seek to address systems resilience issues for hospitals. These arrangements will further strengthen and solidify during this year.

19. Some boroughs are finding ways of engaging these sub-regional arrangements – through officers or Members. However, the pattern is very mixed. The two main challenges are for boroughs to find ways of organising themselves together for effective sub-regional working and to persuade CCGs and NHS England to open up their sub-regional arrangements to creating real partnerships with boroughs.

20. To enable local authorities to be effective partners in health and care reform, it is vital that we make real progress on establishing sub-regional working on health in London during 2015/16.

21. Work on developing boroughs' aspirations for and approaches to sub-regional working will need to be owned and driven locally. However, there is a need to have some overall coherence in the approach, to enable real progress to made with NHS England and other national or regional bodies and to support devolution requests. It is therefore proposed that London Councils should develop some work with chief executives to help facilitate the development of thinking about sub-regional health working across London. This should seek to draw out emerging models (including views on what should happen at different levels, approaches to governance, delivery mechanisms, links between local/sub-regional/regional working, etc) and support some of the engagement with regional and national partners needed to ensure that boroughs can work effectively with the health service at sub-regional level.

22. **The Executive is asked to agree a common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London within 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models.**

Conclusion

23. **The Executive is asked to discuss their aspirations for how progress can be taken within existing powers to move forward on health and care reform within 2015/16, both to make progress on improving outcomes and to strengthen the foundations for more ambitious reform requiring devolution. In particular, the Executive is asked to:**

a. **agree a common aspiration that all London's Health and Wellbeing Boards should strengthen themselves and increase their effectiveness as system leaders for locally driven health and care reform within 2015/16 and that London Councils' should refresh the stocktake of London Boards at the end of the year;**

b. **agree that London Councils should develop, as far as possible jointly with London's CCGs, a call to government to clarify the approach to BCF in 2016/17 before the summer, putting forward a series of proposals intended to deliver the aspirations outlined in this paper; and**

c. **agree a common aspiration to seek the establishment of effective sub-regional partnership working between boroughs and the NHS in London within 2015/16 and that London Councils should do some work with chief executives to support this and draw out broad models.**

IMPLICATIONS FOR LONDON COUNCILS

Financial Implications for London Councils

None

Legal Implications for London Councils

None

Equalities Implications for London Councils

None