

LONDON HEALTH
DEVOLUTION
AGREEMENT

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INTRODUCTION

The London Partners' ground-breaking plans for transforming health and care provision across the nation's capital are strongly supported by the Government and national health system bodies. Their plans will help to secure improvements in the health and wellbeing of London's diverse 8.6 million residents, addressing inequalities in health outcomes and radically reshaping healthcare provision across the city, in line with the aspirations of the NHS Five Year Forward View.

London's health economy is complex and heavily inter-dependent across London boroughs and neighbouring areas, so transforming its health and care system is necessarily a gradual process. The Government and national bodies welcome the approach that London Partners have proposed of developing and testing different elements of health and care devolution across London, and this document sets out how Government and national bodies will support this vision. It details commitments to action from all parties, including through devolving greater control of and influence over health and care to London.

London's plans align with the government's priorities on devolution and the integration of health and social care, on creating a seven-day NHS and on transforming the health system to secure a sustainable financial future for the NHS. It is only fitting that the city at the heart of major historic advances in medicine – from John Snow's pioneering work in epidemiology to Alexander Fleming's discovery of penicillin - will lead the way to become one of England's first large urban areas to deliver integration of services and transformation at scale and pace.

The London Health and Care Collaboration Agreement represents the first step in London's journey, and Government and national bodies are committed to supporting London throughout this process. In addition to the commitments contained in this document, Government and national partners extend an offer of a continuing dialogue with the London Partners on other issues arising which would support health and social care integration and devolution.

PARTIES

The Parties to the agreement are:

- All London Clinical Commissioning Groups (CCGs) and Local Authorities (LAs), and the Greater London Authority; and
- The 'national bodies', comprising HM Treasury, the Department of Health (including the Work and Health Unit, run jointly with Department for Work and Pensions), the Department for Communities and Local Government, NHS England, Health Education England, NHS Improvement and Public Health England.

The term 'London Partners' is used in this document to refer to (collectively) all 32 CCGs, all 33 LA members of London Councils, the Greater London Authority, NHS England London Region and Public Health England London Region.

CONTEXT AND RELATIONSHIP TO THE LONDON HEALTH AND CARE COLLABORATION AGREEMENT

London has a clear vision of better health and care for the benefit of Londoners. In October 2014, the London Health Commission published a high level vision for health and care in London¹, building on the Five Year Forward View² and translating it into a delivery plan for London. In March 2015, London partners collectively signed up to ten joint aspirations and agreed to collective and individual actions to help London become the healthiest major global city³.

Health and care delivery partners have already begun to organise themselves and their services differently to deliver these objectives. The London Health Board and Healthy London Partnership have demonstrated strong collaboration and joint working to progress the vision set out in the Five Year Forward View and Better Health for London. Co-commissioning arrangements are underway in almost all CCGs, and health and wellbeing boards are taking on wider activities. CCGs have organised into sub-regional strategic planning groups and London's boroughs are working with CCGs and NHS England to accelerate progress within existing powers, including developing joint sub-regional arrangements. Devolution is viewed as an integral tool to help deliver London's aspirations at pace and scale, responding to London's unique challenges and opportunities.

London Councils and the Greater London Authority (GLA) put forward a Spending Review submission on 4 September that included proposals for devolution of health and social care. The London Health and Care Collaboration Agreement sets out a collective agreement by London Partners, including NHS England and Public Health England, to transform health and wellbeing outcomes, inequalities and services in London through new ways of working together and with the public. London Partners are also seeking devolution of functions, powers and resources from government and national bodies where that can assist, enable or accelerate improvements.

This Agreement supplements the London Health and Care Collaboration Agreement⁴, by describing commitments by Government, national bodies and London partners to enable the delivery of this vision. The London Health and Care Collaboration Agreement focuses on three key areas: prevention, health and care integration and estates. Given the complexities and size of the London system, London partners will work at three levels: local, sub-regional and London-wide. The London Health and Care Collaboration Agreement describes London's model: testing devolution through four types of local and sub-regional devolution pilots to explore how greater collaboration, integration and devolution work in practice, including impacts within and beyond the London system.

¹ Better Health for London: the report of the London Health Commission, October 2014. Available at: http://www.londonhealthcommission.org.uk/wp-content/uploads/London-Health-Commission_Better-Health-for-London.pdf

² Five Year Forward View, October 2014. Available at: <https://www.england.nhs.uk/wp-content/uploads/2014/10/5yfv-web.pdf>

³ Better Health for London: Next Steps, March 2015. Available at: https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/Better%20Health%20for%20London%20Next%20Steps_2.pdf

⁴ Health and Care Collaboration Agreement, London Partners, December 2015. Soon to be available at: - <https://www.london.gov.uk/what-we-do/health/london-health-board>

The London Health and Care Collaboration Agreement also describes proposed governance. The London Health Board, chaired by the Mayor, will provide political leadership, oversight and support for the London strategy. A London Health and Social Care Devolution Programme Board will be established in January 2016 accounting to the London Health Board. This Devolution Programme Board will provide strategic and operational oversight and steering of the devolution programme, including supporting the devolution pilots.

OVERARCHING PRINCIPLES

The parties to this agreement are committed to improving outcomes through integration and by devolving decisions about health and care in London to the most appropriate level. Once London's devolution pilots have developed detailed plans for going further and faster in achieving greater collaboration and integration, any devolution of health powers would be subject to careful consideration by Government and national bodies, taking into account the needs of people in London and elsewhere. Proposals would need to strengthen the NHS in the London area, continue to uphold its values, standards and constitution, and reflect the principles and criteria signed off by the NHS England Board. Under any proposals agreed, healthcare services in London would remain part of the NHS. Government and national bodies are committed to a co-production approach with London partners to facilitate ultimate decisions on devolution – both by national bodies to devolve and by London to 'receive' devolved functions, with the expectation that these co-produced solutions will be built upon to, in time, transform the entire London health and care economy.

This agreement between the national bodies and London Partners is predicated on development, agreement and subsequent delivery of a multi-year Strategic Plan for Health and Care resulting in a clinically and financially sustainable landscape of commissioning and provision, living within annual budgets and delivering fiscal balance over the Spending Review period to 2020/21.

Two foundational principles will be central to London's (and national bodies') approach:

- a. Subsidiarity – decisions should be taken or influenced locally wherever possible; and
- b. London should be involved in decisions that materially impact on London.

SHARED COMMITMENTS BETWEEN GOVERNMENT, NATIONAL BODIES AND THE LONDON PARTNERS

In support of London Partners' ambitious and transformative vision for health and social care across the capital, government and other national bodies commit to working closely with London to explore and develop flexible and novel approaches to challenging issues. In addition to the specific actions set out below, Government and national bodies offer London Partners an open invitation to further engagement on any other issues that could help London Partners in delivering their programme of transformative change.

In return, the London Partners also commit to supporting national policy objectives, including specifically those stipulated in the Department of Health / NHS England national

Spending Review settlement. In particular, London partners have set an aspiration to create the best health and care services of any world city, throughout London and on every day. The London system is committed to improving the quality of services and reducing variability, ensuring that at least 95% of the population have access to services which meet London's Quality Standards – encompassing the relevant national clinical standards - seven days a week by 2020. North West London will progress more quickly to deliver a truly seven-day service, delivering from 2017 the same level of consultant assessment and review, diagnostic tests and consultant-led interventions seven days a week.

London Partners' commitment will include sharing their learning, seeking to restore and maintain financial balance into the system, further integration of health and social care services, pioneering Five Year Forward View new models of care and putting in place robust and transparent governance arrangements.

a) *Capital and estates*

*Better Health for London*⁵ highlighted the importance of addressing the utilisation of assets from the health and care estate, and the potential for the release of unused or under-utilised assets. The NHS estate in London is substantial, with the physical footprint of London's hospitals occupying around 1,000 acres of land. Data suggests that there may be opportunities to improve utilisation of the NHS estate in London, which could help to improve health and social care delivery and financial sustainability.

The structure of the system can sometimes make the release of land for procurement, assembly, development and disposal challenging. The existence of multiple and different decision points for capital and the plurality of processes for agreeing business cases for investment and disposal can result in difficulties in whole-system planning. There are separate processes in place for different programme capital funds, and no integrated process exists to consider the total capital need across the entirety of the health system in London or how the need for capital relates to the overall service strategy. There are few existing incentives for unified strategic estate planning across the diverse spectrum of health and care partners.

London partners are committed to:

- increasing value from unused and underutilised estate in order to release land for other health purposes, the provision of public services, and much needed housing;
- reinvesting disposal proceeds into the health and care system to support new models of health and care across the wider system;
- taking fixed costs out of the existing healthcare system to reduce running costs and therefore contribute significantly to addressing London's financial challenge to 2020/21;
- significantly improving the utilisation and efficiency of the existing health and care estate; and

⁵ Better Health for London: the report of the London Health Commission, October 2014. Available at: http://www.londonhealthcommission.org.uk/wp-content/uploads/London-Health-Commission_Better-Health-for-London.pdf

- identifying joint opportunities to share estate between health and care.

London Partners will work with and through the six newly established Strategic Partnership Group sub-regional estates boards⁶ to produce a clear capital and estates plan for each sub-region. These fully-costed plans will set out the planned sources of and intended applications of capital funding, running up to 2021. Proof of concept will be developed through an estates devolution pilot in north-central London. These plans will also incorporate the Local Estates Strategies currently being developed by CCGs.

Government and national bodies commit to support London Partners and health and care providers in developing a partnership for strategic estate planning, aligned with sub-regional strategies. This will seek to better utilise current assets and the health and care estate, and unlock the value of the estate at local, sub-regional and London level; including through greater collaboration and joint working between relevant bodies (which will include Government, national bodies and the London Land Commission).

London and national partners agree that both sub-regional and pan-London plans should align with and deliver against any overarching health estate or public sector targets and estates/asset sales plans, including (but not limited to) housing targets, asset sale targets and any conditions required by the Department of Health or HM Treasury to deliver the Department of Health's Spending Review and capital settlement commitments.

The Department of Health and national bodies commit to engaging with London to facilitate an ongoing dialogue with relevant bodies managing health assets and the health estate in London, with a view to:

- reaching a shared understanding of any systemic issues which might be a barrier to best use of estates or assets; or might be hindering the realisation of assets' full potential value when developed or sold. This discussion will include factors that may delay disposal of surplus land and will consider the current incentives on Trusts and FTs; and
- discussing potential solutions to any issues identified.

The Department of Health and national bodies also commit to:

- Seeking to agree how best to align capital programmes within London to the overall strategic plan for London to 2020/21; and
- Exploring the scope to put in place gain-share arrangements and ways to augment Trusts' incentives to dispose of unused assets (or maximise the value derived from under-used assets), with a view to realising best value from any asset sales. The discussion will include exploring options around the use of a Special Purpose Vehicle to maximise value from public estate, which could where appropriate build on existing mechanisms within the London system.

⁶ CCGs have already organised into six Strategic Planning Groups mapping and preparing analysis on the health care estate across London. Within the planning regime of the NHS each group is drafting a five-year strategic sustainability plan, which will incorporate a fully-costed capital and estates plan. As part of London Partners' agreement this work will provide a foundation for the development of a broader integrated estates strategy involving local authorities, CCGs, Trusts and the GLA that will leverage a range of resources and capabilities from each of the London Partners to deliver more value from the existing London government estate.

In return, London Partners agree to share and deploy their knowledge, expertise, resource and contact networks in support of this agenda; including where appropriate from Local Authorities, Clinical Commissioning Groups, the Greater London Authority and the London Land Commission.

b) System finances: payment mechanisms and provider support

London Partners are committed to working closely with providers to design and implement new models of care. Government and national bodies support the strategic alignment of incentives and payment mechanisms to enable the delivery of these innovative models in London. Transformation will require commissioners and providers to work in partnership, including where possible through greater alignment of decision making to inform joint commissioner and provider plans and greater involvement of commissioners to support providers in delivery.

Government and national bodies commit to engagement and discussion with London Partners on the available local flexibilities relating to tariff and payment mechanisms, and the scope for London to test new payment mechanisms, including those being developed as part of NHS England's New Models of Care programme.

The Department of Health and NHS Improvement will explore collaborative and co-operative decision-making with London Partners on applications for provider cash support linked to financial recovery and strategic change, and that applications are congruent with agreed multi-year sustainable Strategic Plans for Health and Care.

Government and NHS England commit to publishing indicative multi-year allocations for CCGs to give additional visibility and help planning, which will remain subject to any central need for in-year flexibilities. Government and NHS England commit to supporting place-based commissioning through ongoing development of allocation and budgeting processes, in line with statutory provisions.

Central to the government's objectives over the Parliament is the restoration of financial balance in the health system, both in terms of providers' and commissioners' finances. London Partners commit to developing detailed and credible multi-year sustainable Strategic Plans for Health and Care to restore London's health economy to fiscal equilibrium whilst maintaining and improving quality and outcomes, with an aspiration to deliver recurrent balance in both individual commissioners' and individual providers' financial positions and meeting NHS business rules for surplus levels and risk management. A London-level picture, drawn from sub-regional health economy plans, will enable oversight of the impact on health outcomes and financial sustainability of the system across the capital.

c) Provider regulation and inspection

London partners are committed to transforming the health and care landscape including supporting providers to move at pace to design and implement new models of care. To enable this, the government and national bodies support giving greater accountability to local health and care systems. By closer alignment with London's ambitions for transformation, regulation can support and reinforce local health and care collaboration, integration and transformation.

Although legislation limits the scope for devolution of national regulatory functions, Government and national bodies commit to discussions with London Partners to jointly explore adaptations in approaches to provider regulation. These discussions will include (but are not limited to) place-based approaches to provider regulation, and how CQC and NHS Improvement could regulate and assure providers who are seeking to develop new approaches to healthcare delivery (including but not limited to new models of care, such as Accountable Care Organisations); where these providers are accountable for regulated activities.

This will include closer working and, in some cases, co-ordinated decision-making between NHS England and NHS Improvement in London. Both NHS England and NHS Improvement will seek to ensure coordinated leadership across the two organisations in London, facilitated by the regional directors.

Although providers of regulated activities will continue to be regulated by CQC and will continue to have to meet national registration requirements on safety and quality (in line with legal requirements), CQC commits to discussing with London Partners how best to ensure registration does not pose a barrier to adopting new models of care provision.

Any different approaches to regulation would need to be accompanied by clear accountability arrangements clarifying where responsibility for financial and operational performance rests.

d) Workforce and skills

The people that work in health and care are critical to achieving London's transformation goals. London trains a significant proportion of the national health and care workforce but continues to experience challenges in staff retention and turnover. 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.

Health Education England (HEE) commits to discuss and agree how workforce planning and delivery of education and training can align with London Partners' plans and intentions for the capital's health workforce, whilst also aligning with the requirements set out in HEE's Mandate. This discussion will include (but is not limited to) aligning the workforce requirements of the London devolution pilots and the priorities of Local Education and Training Boards, the interaction with the social care workforce, and any flexibilities required to deliver their pilots.

e) Transformation

London partners are committed to deliver high quality, accessible, efficient and sustainable health and care services to meet current and future population needs, throughout London and on every day. London aims to reduce hospitalisation through proactive, coordinated and personalised care that is effectively linked up with wider

services to help people maintain their independence, dignity and wellbeing. This will require:

- integration of health and care budgets in a place to maximise potential for new models of care and reduce reliance on hospitals;
- Building on examples from local and sub-regional integration pilots to provide early intervention and re-ablement services rather than a crisis-based system; and
- Enabling investment in partnership working.

Government, NHS England and NHS Improvement commit to explore with London Partners how they can maximise and best prioritise its plans for transformation within available resource. NHS England commits to having discussions with London partners to explore the principle and opportunities of devolving London's share of transformation funding⁷, subject to the production of strategic sustainability plans for London, and once progress has been demonstrated through the joint evaluation of the co-designed pilots, and the NHS England decision criteria have been formally met.

London will be able to access any new or additional health and/or social care funding streams that become available during the Spending Review period.

London Partners agree to share and facilitate the dissemination of their learning and experiences from pilot programmes nationally, in partnership with NHS England.

f) Public health

London's population is growing at a faster rate than any other region in England. The capital also has a 7% higher poverty rate than the rest of England and a substantial inequality gap in healthy life expectancy between boroughs. Lifestyle risk factors are stimulating an increase in health and care demand. London has the highest rate of childhood obesity of any peer global city with consequences for the high proportion of the health budget spent on associated illnesses. Building on the emphasis on health promotion and prevention within the recommendations and aspirations set out in Better Health for London, London has a bold vision to:

- Strengthen and support actions taken by many Health and Wellbeing Boards and the London Prevention Board by working in partnership across the health and care system and with other industries and sectors.
- Embed health promotion and prevention throughout health and care services, and develop new partnerships between the public, third and business sectors to promote health in innovative settings across London

London will support city level action to address the wider determinants of health where this is the most effective scale; including transport, planning, and regulatory interventions to support the public health agenda. Given that prevention is a core part of the London vision, London will test the potential for devolution to advance the prevention agenda through the integration pilots, and also through a dedicated prevention pilot, referenced in the London Health and Care Collaboration Agreement.

⁷ The transformation funding streams to be discussed are the funding identified for transformation at the 2014/15 Autumn Statement.

National bodies and Government commit to engagement and discussions with London Partners to explore any flexibilities required by London pilot areas. National bodies and Government will be active partners in the prevention pilot and commit to wider roll out if interventions prove successful and if local organisations are in agreement. In turn, London Partners commit to discussing any opportunities to pilot novel approaches to addressing challenging public health issues, including any set out in the forthcoming Childhood Obesity Strategy.

Government commits to engaging with London partners to explore the scope for policy and regulatory flexibilities which would support improving public health.

Central government and national bodies commit to partnering in the development of the Haringey prevention pilot. As part of this, national bodies and London Partners commit to examining the interaction between planning policy and guidance and the pilot's public health objectives. If this process identifies approaches where the planning policy framework could drive substantively better outcomes for public health and other government objectives, national bodies commit to further discussions with London Partners to explore these options.

g) Employment and health

London Partners, Government and national bodies have a shared aim to improve both the employment outcomes for people with health conditions and disabilities and the health outcomes of working age people through active labour market participation. Given the strength of London's jobs market, there are significant opportunities for improving outcomes for people with health conditions and disabilities in London and London Partners are ambitious about the capital's ability to deliver the best service for its residents.

London is already pioneering a new approaches to tackling this challenging issue. In July 2014, the London Enterprise Panel and London Government partners committed to jointly design a pilot to support hard to reach groups into sustained employment. In Central London, Working Capital will support nearly 4000 residents who claim Employment Support Allowance but have left the national Work Programme after two years without finding long term employment. This support programme began delivering on 19 October, with every person receiving dedicated help from a multi-skilled worker who will help them develop an individual plan of action for getting back to work. In west London, the West London Alliance mental health and employment integration trailblazer will support over 1000 people with mental health conditions to secure jobs.

The Spending Review confirmed that the London Boroughs and Mayor of London will jointly commission employment support (outside the Jobcentre Plus regime), to assist the very long-term unemployed and those with health conditions and disabilities to (re-)enter work. The government re-affirms its commitment to work with London colleagues to commence detailed discussions on how they can jointly shape every element of the commissioning process: from strategy to service design, managing provider relationships and reviewing service provision.

Additionally, London partners will set out how they will seek to pilot further joining up local public services in order to improve outcomes for this group, exploring new models for integrating health and employment support and the role prevention and early intervention can play. This will include a focus on how they will work with third sector

organisations at a local level and NHS England / the Work and Health Unit at a national level. The Joint Health and Work Unit commits to engaging with London to discuss and consider their proposals during development.

h) Governance arrangements and accountability

Government and national bodies commit to supporting London in their development of robust and transparent governance structures. This offer extends both to structures to manage their programme of transformation, and in setting up governance arrangements for any new pooled budgets or sub-regional arrangements should they be agreed subsequently.

In turn, London Partners agree to keep national bodies abreast of developments, and will agree with national bodies what role they will play and how they will be involved in London governance arrangements. Accountability for the quality and effectiveness of healthcare in London remains the responsibility of provider organisations, London CCGs and NHS England (including their London regional presences), with oversight and support from NHS Improvement and CQC.