

Executive

Policy Developments - Devolution and Public Service Reform

Item no. 7

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Summary: The December meeting of Leaders Committee considered a policy paper on Devolution and Public Service Reform.

Substantial negotiations with Government were continuing at the time of despatch of these papers in relation to:

- Health devolution
- Devolution of the Work and Health Programme

This item provides the Executive with the opportunity to hear and consider the very latest progress in these negotiations.

The Executive is asked to:

1. Comment on the most recent policy developments which will be reported as part of the meeting.
 2. Provide guidance on next steps in finalising and implementing these policy developments.
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Policy Developments - Devolution and Public Service Reform

Background

1. The December meeting of Leaders Committee considered a policy paper on Devolution and Public Service Reform. Following that meeting, substantial negotiations were continuing with Government, in relation to:
 - Health devolution
 - Devolution of the Work and Health Programme
2. This item appears on the agenda to provide the Executive with the opportunity to hear and consider the very latest progress in these negotiations.

Health Devolution

3. Discussions are progressing with DH and NHS England officials, under the umbrella of the agreement made with the then Chancellor of the Exchequer last December.
4. There is an aspiration that a Memorandum of Understanding (MoU) to facilitate next steps will be agreed with national partners early in the New Year. This would be buttressed by individual agreements with the pilot areas.
5. It is envisaged that the MoU will be an enabling document, allowing local areas to opt-in to detailed devolution proposals that build on learning from the London pilots. The pilots have led to detailed propositions around:
 - i. Integration - Integration requires changes to regulation, payment systems and workforce for it to be effective.
 - ii. Estates- Reinvestment of capital receipts.
 - iii. Prevention – Including potential legislative routes to support behaviour change.
6. Leaders' Committee agreed a process for signing-off the MoU at its December meeting. Verbal updates on this will be provided at the meeting of the Executive.

Work and Health Programme (Employment Support)

7. London Councils and the sub-regional groups of boroughs have been engaged in detailed discussions with the Department for Work and Pensions (DWP) following the Chancellor's announcement in the Autumn Statement 2016 that funding for the Work and Health Programme would be devolved to London, subject to the areas meeting certain conditions, including on co-funding. Encouraging progress has been made in these negotiations.
8. The commitment to deliver the new Programme presents challenging timescales. To help ensure success, all London government partners, including Boroughs, sub-regions, and the GLA will be required to cooperate closely.

Wider Issues

9. Ministers indicated at the time of the Autumn Statement that a broader reform package could be progressed as part of the March 2017 Budget announcement. Discussions with Government – involving both the Mayor's Office and London Councils – are due to resume in early 2017.
10. At the last meeting of the Member Devolution Group, it was agreed that London's narrative needed to be more strongly rooted in the emerging Government emphasis on place based industrial strategy and ways in which devolution and reform can contribute directly to meeting challenges around boosting productivity, creating jobs, equipping people to fill those jobs, securing housing supply etc. Members felt that 'place' needed to be defined in a more granular way than London as a whole. Accordingly, London Councils has sought contributions from boroughs and groups of boroughs along these lines.
11. At that meeting, the Mayor of London indicated that contributions of that type could be important component parts of London's case for further devolution. A date is currently being sought for a meeting of the Member Devolution Group and the Mayor of London to consider next steps on this overall agenda and to begin to consider some of the broader governance issues flowing from devolution and reform propositions.

Considerations

12. The discussion under this agenda item will provide the Executive with the opportunity to hear and consider progress in the continuing programme of work and to provide guidance on next steps.

Financial implications for London Councils

None

Legal implications for London Councils

None

Equalities implications for London Councils

There are no direct equalities implications for London Councils as a result of this paper.

Attachments

None