



# City of Westminster Westminster Health & Wellbeing Board

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<b>Title:</b>	Health and care devolution to London
<b>Report of:</b>	Cllr Rachael Robathan, Chair of Westminster Health and Wellbeing Board
<b>Wards Involved:</b>	All
<b>Policy Context:</b>	Devolution to London
<b>Financial Summary:</b>	NA
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## 1. Executive Summary

- 1.1. London Councils and the Greater London Authority (GLA) put forward a Spending Review submission on 4 September 2015 that included proposals for devolution of health and social care. On 14 December 2015, the London Health and Care Collaboration Agreement was published, setting 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. In parallel, government published the London health and devolution agreement which complements the Collaboration Agreement by describing commitments by government, national bodies and London partners to enable the delivery of this vision.
- 1.2. This paper provides a summary of the agreements, providing further detail to the Board following the paper it considered on health and care devolution to London at its meeting on 19 November 2015.

## 2. Key Matters for the Board

## 2.1 The Health and Wellbeing Board is asked to:

- Note the commitments made by local, regional and national partners in the agreements to support improvements to health and care in London.
- Consider the implications of the agreements for the health and social care system in Westminster and how this may inform the future work of the Board, such as the development of the Health & Wellbeing Strategy.

## 3. Context

3.1. London's population is growing at a faster rate than any other region in England and is transient, accounting for 37% of the nation's short-term residents. 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. London also has particularly high and growing populations of both under 25s, where investment in prevention could have significant impact, and over 80 year olds, the biggest users of health and care services.

3.2. The unique nature of London's population, the growing health risk factors and organisational challenges will put unprecedented pressure on the health and care system over the coming years. The NHS in London faces a £4.76bn affordability gap between forecast funding levels and the expected rise in demand for healthcare by 2020/2021.<sup>1</sup> In a similar time horizon London local government faces a potential funding gap of close to £3.4bn, of which £1.14bn would be experienced by adult social care.

3.3. 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. Intervention on smoking is thought to be an opportunity to not only address the 8,400 lives lost to smoking each year but also reduce the £1.9-£2.8bn currently spent on smoking related illness.

3.4. London's Health Care system has some significant and enduring challenges:

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<sup>1</sup> £1.74bn Commissioner challenge defined as the difference between available funding and spending based on 'unconstrained demand' and rising cost of provision  
£3.02bn Provider challenge defined as current deficits, impact on commissioners constraining demand, price changes from tariff changes and rising cost of provision  
£1.74bn London share as announced by the new Conservative government in May 2015. Funding to be directed at transformation.

NOTE: If tariff efficiencies of 4% were to be delivered, this affordability gap reduces to £1.74bn. However this is dependent on productivity increases within the system. The majority of providers have opted for ETO tariff prices which include a 3.5% efficiency.

- The variable quality of primary care in the capital and particularly in the inner city
  - The poor health of the population in some areas of London
  - The over reliance on hospitals for the delivery of health care
  - The different patterns of hospitalisation between different areas of the capital and in comparison nationally
  - The concentration of hospital services in inner-city areas with higher population growth and demand for services in outer London
- 3.5. There is, however, a strong history of collaboration and joint working across health and care and political leadership across London. At local level, Health & Well Being Boards are growing in maturity and effectiveness and aspire to develop further to fulfil the full strategic commissioning role envisaged in their creation. At a pan-London level political leadership includes the London Health Board, previously the London Health Improvement Board, which from its inception in 2011 has been chaired by the Mayor of London with representation from elected borough leaders, the NHS and Public Health England.
- 3.6. Within this context, all 32 London Clinical Commissioning Groups (CCGs), all 33 local authority members of London Councils, the Greater London Authority, NHS England London Region and Public Health England London Region have reached collective agreement to transform health and wellbeing outcomes, inequalities and services in London through new ways of working together and with the public. This commitment is underpinned by the London Health and Care Collaboration Agreement published in December 2014. In parallel, the Chancellor and Health Secretary signed the Devolution Agreement for London.

#### **4. London Health and Care Collaboration Agreement**

- 4.1. The Collaboration Agreement includes 10 aspirations that partners are committed to fulfilling by 2020, which are in line with the NHS Five Year Forward View ambitions.

	Give all London's children a healthy, happy start to life	Ensure that all children are school-ready by age 5  Achieve a 10% reduction in the proportion of children obese by Year 6 and reverse the trend in those who are overweight
	Get London fitter with better food, more exercise and healthier living	Help all Londoners to be active and eat healthily, with 70% of Londoners achieving recommended activity levels.
	Make work a healthy place to be in London	Gain a million working days in London through an improvement in health and a reduction in sickness absence.
	Help Londoners to kick unhealthy habits	Reduce smoking rates in adults to 13% - in line with the lowest major global city and reduce the impact of other unhealthy habits.
	Care for the most mentally ill in London so they live longer, healthier lives	Reduce the gap in life expectancy between adults with severe and enduring mental illness and the rest of the population by 5%.
	Enable Londoners to do more to look after themselves	Increase the proportion of people who feel supported to manage their long-term condition to the top quartile nationally.
	Ensure that every Londoner is able to see a GP when they need to and at a time that suits them	Transform general practice in London so Londoners have access to their GP teams 8am-8pm, and primary care is delivered in modern purpose-built/designed facilities.
	Create the best health and care services of any world city, throughout London and on every day	Work towards having the lowest death rates for the top three killers.  Close the gap in care between those admitted to hospital on weekdays and at weekends.
	Fully engage and involve Londoners in the future health of their city	Achieve 10 basis point improvements in polling data on how organisations that deliver health or health-related services engage Londoners in service design.
	Put London at the centre of the global revolution in digital health	Create 50,000 new jobs in the digital health sector and ensure that innovations help Londoners to stay healthy and manage their conditions.

#### 4.2. The Collaboration Agreement sets out the **key enablers** to achieve reform:

- Devolution of founding and commissioning powers
- Additional fiscal and regulatory powers devolved to allow for the influencing of licensing and planning and employment support
- Changes to governance and regulation
- Joint capital strategic planning
- Joint workforce strategic planning
- Full involvement in development of new payment mechanisms to support new models of care
- Full involvement in provider performance decision making.

## 5. London pilots

5.1. Five London pilots were announced as part of the agreement which are intended to test the new ways of working required to enable reform. The pilots are:

- Barking & Dagenham, Havering and Redbridge – working to establish an Accountable Care Organisation (akin to those in America and Singapore) with full budget accountability by 2018/19. The ACO will help to build up integrated and personalised services across all health and care areas.
- Barnet, Camden, Enfield, Haringey and Islington ('North Central London') – this partnership will seeking to transform and health and care through a focus on estates at sub-regional level. The pilot will aim to develop the estate needed for new models of care by optimising assets.
- Hackney – this pilot will explore the potential of a single membership delivery organisation which would take responsibility for the entire Hackney population and would including combining financial resources and having a capitated budget in place. It is hoped that such an approach would shift incentives towards prevention early intervention, proactive primary care, improved access to community care and offering alternatives to hospital or residential based care.
- Lewisham – this pilot will centre on developing a whole-systems model which fully integrated physical and mental health, and social care for the whole Lewisham population. This approach will include expanding joint commissioning across the whole system.
- Haringey – this pilot will focus on prevention using a whole system model aiming to normalise good health, which will include shifting resources to population level preventive activities and influencing the physical environment to prompt healthy decision making for residents. There will be work around finding the most effective ways of using planning and licensing powers to create healthy environments. There will also be an exploration of supporting people into sustainable employment.

5.2. It is envisaged that the devolution agreements reached through individual pilots will be converted into contingent menus of devolution opportunities open to other localities and sub-regional partnerships across London.

5.3. Officers are building links with the pilot areas alongside drawing on learning from other areas, such as Croydon, Leeds and Manchester.

## 6. The government's health and care devolution agreement with London

6.1. In parallel to the London Health and Care Collaboration Agreement, the government signed the London Agreement. The agreement supplements the London Health and Care Collaboration Agreement, by describing commitments by government, national bodies and London partners to enable the delivery of this vision.

6.2. In support of London Partners' ambitious and transformative vision for health and social care across the capital, government and other national bodies commit in the agreement to working closely with London to explore and develop flexible and novel approaches five key issues.

- **Capital and estates:** Government has committed to supporting London Partners and health and care providers to develop 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).
- **System finances - payment mechanisms and provider support:** Government has committed to support the strategic alignment of incentives and payment mechanisms to enable the delivery of innovative models of delivery 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. This will include a commitment from government and national bodies 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 also 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.
- **Provider regulation and inspection:** Government has committed 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.

- **Workforce and Skills:** Health Education England has committed 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 Health Education England's Mandate.
- **Transformation:** Government, NHS England and NHS Improvement have committed to explore with London Partners how they can maximise and best prioritise its plans for transformation within available resource. NHS England has committed to having discussions with London partners to explore the principle and opportunities of devolving London's share of transformation funding, 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.
- **Public health:** National bodies and government have committed to engagement and discussions with London Partners to explore any flexibility 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. Government has also committed 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 have also committed to partnering in the development of the Haringey prevention pilot. As part of this, national bodies and London Partners have committed 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.
- **Employment and health:** Government has committed to over £115 million of funding for the Whitehall Joint Work and Health Unit including at least £40 million for a health and work innovation fund to pilot new ways to join up across the health and employment systems. A White paper on employment support for people with health conditions and disabilities is also expected in the Spring.
- **Governance arrangements and accountability:** Government and national bodies have committed 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.

## **7. Governance and timetable**

- 7.1. The London Health Board, chaired by the Mayor, will provide political leadership, oversight and support for the London strategy.
- 7.2. A Devolution Programme Board will be established in January 2016 accounting to the London Health Board. The Devolution Programme Board will include two representatives of each constituent partner within the London Health Board:

Local authorities: two representatives appointed by London Councils  
London CCGs Chair of London Clinical Commissioning Council and Chair of London CCG Chief Officers Group  
GLA Head of Paid Service; Director, Health and Communities  
PHE Regional Director; Deputy Regional Director  
NHS England Regional Director; Regional Finance Director

Invited members: Devolution Programme Director  
NHS Improvement  
NHS England  
Public Health England  
Central government partners as appropriate

### **Timetable for pilots**

#### **January 2016**

- Pilots develop business plans for delivery and clarify devolution asks, in partnership with national organisations
- London Devolution Programme Board established and resource commitments secured

#### **By April 2016**

- Providers establish their preferred form of arrangements to enable them to provide a collective response to the London project.

#### **From April 2016**



- All pilots complete business plans, confirm new models of working and negotiate devolution to support delivery (each pilot will set out a clear programme and timeline for its work).
- Formal local government involvement in sub-regional health and care strategies.

#### **By June 2016**

- Sustainability and transformation plans for health and care developed at local and sub-regional level as part of NHS and local authorities' planning arrangements.

#### **By December 2016**

- An agreed London level picture of the impact on health outcomes and financial sustainability of the system across the capital, extrapolating from the learning of pilots, other transformation initiatives and local and sub-regional health economies' plans, enabling strategic plans at all three geographic levels.

#### **By April 2017**

- Menus of devolution agreed and available for local and sub-regional partnerships in London.
- Pilots commence devolved arrangements subject to robust plans and governance arrangements.
- Local and sub-regional areas across London explore when and how to draw down these power to unlock and accelerate their improvement plans and commence development of detailed plans and governance and accountability arrangements.

#### **By April 2019**

- Significant progress on transformation across the whole of London, demonstrably unlocking long-standing problems and improving outcomes and efficiency.

## **8. Conclusion**

The agreements signal a step-change in the collective ambition of Government, London's 32 Clinical Commissioning Groups, all 33 local authority members of London Councils, the Greater London Authority, 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. While the focus will now be on the pilot areas to make the fastest progress, there remains a lot which can be done locally to move towards greater devolution of integrated budgets and commissioning. This provides an opportunity for the Health & Wellbeing Board to

consider how it can further develop its systems leadership role and develop areas for joint working beyond health and care on areas such as on estates and workforce. In particular, the opportunity to contribute to the five year Sustainability and Transformation Plan, which every health and care system has been asked to produce, will enable access to additional dedicated funding streams for local areas to support transformational change.

## **9. Legal Implications**

Not at this time.

## **10. Financial Implications**

Not at this time.

**If you have any queries about this Report or wish to inspect any of the Background Papers please contact:**

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## **ANNEX A – London Health and Care Collaboration Agreement**

### **Objectives and principles**

1. The collaboration agreement detailed **common objectives** which include:
  - Greater focus on health promotion, prevention, supporting self-care;
  - Closing health inequalities gap;
  - Engaging and involving local people through providing information to support self-care;
  - Improving collaboration between health and other services including stronger partnerships including housing, early years, employment and education;
  - Reduce hospital attendance through proactive, co-ordinated and personalised care that are built seamlessly around individuals;
  - Securing and supporting a world class workforce in London to deliver health and care; and
  - Ensuring London is at the leading edge of health and care innovation.
  
2. Principles for reform and devolution were also established and include:
  - Improvement of health and wellbeing for Londoners is the overriding driver for reform;
  - Shifting from reactive care to preventive care, early intervention, care in the community and self-care;
  - London remaining part of the NHS and continuing to be accountable through national statutory mechanisms e.g. CQC inspections and accountability to NHS England and improving;
  - Greater joint working will drive improvements in local accountability for services and public expenditure;
  - Decision making will be transparency and there will be an open sharing of information between partners.
  - Transformation will be locally owned and led and will seek to obtain the wide possible local support from partners;
  - Decisions about London will be taking in or with London, reflecting the ambition to achieve devolved control and resources;
  - New ways of working and collaborating will be developed including partners, service users, patients, carers and the public at multiple levels. Reflecting the complexity of London, commissioning and delivery will take place at local, sub-regional and pan London level;
  - Progress can be and is being made using existing powers and resources but devolution would help to accelerate progress. The pilots are being established to build a business case for devolution of powers, resources and decision making;

- Securing political support will be important – new London level arrangements will be estates around governance and political insight.
- In 2016/17 sustainability and transformation plans for health and care will be developed as part of NHS and local authorities’ planning arrangements, drawing on learning from the pilots, the vanguards’ programme.
- London will work collaboratively with other regions to draw on expertise from across the country and will seek to consider impact and implications for surrounding communities and areas with links to London services.

3. The London approach will be developed at three levels – local, regional and London-wide.

LOCAL	SUB-REGIONAL	PAN-LONDON
<ul style="list-style-type: none"> <li>• Joint multi year local integration planin, supporting Health and Wellbeing Strategies, secure increased prevention and early intervention, personalisation and integrated out of hospital care services . Also alignmnet of provider plans.</li> <li>• Working towards achieving full pooling of funding and joint commissioning of health, care and public health through s75 agreements</li> <li>• Local public asset plans and and securing facilities to deliver accessible, mulito pupose, integrated out of hospital care.</li> </ul>	<ul style="list-style-type: none"> <li>• Delivering Health and Wellbeing Board aspirations through stragic partnerships basred on joint committees leading transformation at this level.</li> <li>• joint health and care strategies to develop new models of care across, acute primary and social care.</li> <li>• joint commissioning to deliver sub-regional plans</li> <li>• sub-regional estate planning</li> </ul>	<ul style="list-style-type: none"> <li>• The London Health Board will provide political leadership and oversight of the delivery of the London strategy.</li> <li>• a pan-London Health and Social care devolution programme board will be estalsed to support and account to the London Healh Board.</li> <li>• partnership for strategic estates planning, alignming with London Land COmmission and sub-regional estates strategies.</li> <li>• workforce planning and skills development</li> <li>• collaboration to support London level action to adress wider deteminants where larger scale action is more effective, e.g. planning, transport.</li> <li>• development of financial incentives frameworks for new payment mechanisms.</li> </ul>



## ANNEX B: The national picture: devolution bids

