

Health and Care

Strategic Context

This section sets out the broad model for reform of health and care in London that has been agreed in principle by London boroughs, CCGs, the Mayor, PHE and NHS England. It provides a common platform for collaborating to transform outcomes for Londoners and address the sustainability of the health and care system in the capital.

There is commitment across local government and the NHS in London to make progress on reform and transformation within existing powers and responsibilities. But both the ability and incentives to address long-standing, complex challenges will be significantly constrained without clear steps by government and national NHS bodies to devolve funding and powers, and to provide freedoms and flexibilities to support new ways of working and a strategic focus on driving transformative change.

We therefore want to use the CSR to establish a framework for supporting reform of health and care across London throughout the next Parliament. This framework seeks immediate agreement to some national changes, while others would be unlocked as detailed proposals are developed at different levels in London.

There is agreement between all London partners that the scale, complexity and history of health and care issues in the capital mean a single, city-wide approach to reform will not be successful. There is also consensus that London's model of reform must address the whole health and care system – to enable a rebalancing towards prevention, early intervention; supporting independence and wellbeing, as well as addressing the future sustainability of health and care services.

This needs to be developed on three geographical levels: local, sub-regional and regional. A principle of subsidiarity underpins this ensuring decisions are made at the most appropriate level. But there is recognition, including politically, that hospital service transformation will require collaboration across sub-regional footprints and the linkages between locally led out of hospital transformation and sub-regionally co-ordinated hospital network transformation will need to be strong.

The increased focus on prevention and public health will require action not only by NHS and local authority care services, but also by other parts of local and regional government and agencies across a range of areas including employment support, housing and offender management.

There is an ever strengthening track record of collaboration between local government and the NHS in London. But it is recognised that our model of reform will require this to evolve to a new level. Therefore pilots will be set up before the CSR is finalised, through which, sub-regionally and locally, detailed reform proposals and collaborative structures through which to deliver these, will be worked up.

Background

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.

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 2020/21¹. In a similar time horizon London local government faces a potential funding gap of close to £3.4 billion, of which £1.14bn would be experienced by adult social care.

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.

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

- 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

There are significant opportunities to radically transform the health and care landscape. Currently a fraction of the budget is spent on prevention and self -management initiatives despite significant opportunities to be achieved from proactively addressing worsening risk factors. Bringing health and social care together provides an opportunity to deliver an integrated system that much better meets the population's varying needs.

¹ £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.

There is 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.

A Shared Vision for Health And Care In London

Nationally the NHS published the *Five Year Forward View* in October 2014 setting out a shared vision of how health services need to change, in order to sustainably address three widening gaps, in health and wellbeing, care and quality, and funding and efficiency. Building on the *Five Year Forward View* and the collective high level vision for health and care in London established through the *London Health Commission, Better Health for London: Next Steps*² was published in March 2015.

This followed a year long journey that started with a conversation with Londoners, through engagement of more than 14000 Londoners at tailored events and through online discussions. The process encouraged collaboration between the organisations that influence health and care; including Local Government, NHS England, Public Health England, London's healthcare commissioners and providers, patient representatives, the voluntary sector and industry.

The recommendations set out directly address issues relating to how to affect the change, such as funding, workforce, information sharing, estates and leadership.

The partners of the London Health Board; London Councils, London CCGs, the Mayor, NHS England and Public Health England have committed to 10 joint aspirations to help London become the healthiest World City.

² <http://www.londoncouncils.gov.uk/our-key-themes/health-and-adult-services/health/better-health-london-next-steps-plan>



As the London Health Commission and *Five Year Forward View* found, there are significant challenges and opportunities to improve health and wellbeing outcomes for Londoners. We are committed to working together at all levels to make the best use of our assets and resources. The partners of the London Health Board have decided to use the London Health Commission's ten aspirations for Londoners' health as a set of shared goals for London. *Better Health for London: Next Steps* sets our shared ambition and gives us a way to measure our collective progress towards our shared goals.

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	Aspiration	2020 Ambition
	1. 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
	2. 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
	3. Make work a healthy place to be in London	Gain one million working days in London through an improvement in health and a reduction in sickness absence
	4. 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
	5. 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%
	6. 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
	7. Ensure that every Londoner is able to see a GP when they need to & 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
	8. 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
	9. Fully engage and involve Londoners in the future health of their city	Achieve 10 basis point improvements in poll data
	10. Put London at the centre of the global revolution in digital health	Create 50,000 new jobs in the digital health sector & ensure that innovations help Londoners to stay healthy and manage their conditions

Opportunities and Benefits Of Devolution In Meeting These Ambitions

Our goal is to secure improved care across the spectrum of health and care services, reducing hospitalisation through proactive, co-ordinated and personalised care that is effectively linked up with wider services to help people maintain their independence, dignity and wellbeing. When Londoners need acute or emergency physical or mental care they should all be able to access consistently world class services, seven days a week. But they should be just as confident about being able to access consistently high quality support to address lower level health issues and manage ongoing conditions to minimise the impact on their wider lives and families.

Achieving this integration of services across providers can be significantly accelerated as a result of the opportunity presented by devolution:

Benefit	Outcomes	Additional opportunity from devolution
Addressing the health and wellbeing gap	<ul style="list-style-type: none"> • All children are school-ready by age of 5 • Reduction in proportion of obese children • Increased proportion of Londoners achieving recommended activity levels • Reduction in workplace sickness and associated absence • Reduction in smoking rates to level of lowest global city 	<ul style="list-style-type: none"> • Ability to strengthen and support actions taken by many Health and Wellbeing Boards by working in partnership across the health and care system and by other industries and sectors. • Opportunity to 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 • Strengthening strategic alliances e.g. on illegal tobacco
Addressing the care and quality gap	<ul style="list-style-type: none"> • Reduction in gap in life expectancy for adults with severe & enduring mental illness • Public supported to self-manage long-term conditions • Public able to access care in the right place at the right time • Reduction in the gap in outcomes for weekend vs weekday admissions 	<ul style="list-style-type: none"> • Integration of health and care budgets in a place to maximise potential for new models of care and reducing the reliance on hospitals. • Build on examples of local collaboration pilots to provide early intervention and reablement services rather than a crisis based system • Enable investment in partnership working between primary care and local services to coordinate care around the needs of patients • Enable investment in partnership working between primary care, social care and the community sector to roll-out integrated personal commissioning • Use transformation funding to invest in fit for purpose facilities for the provision of health and care services
Addressing the funding and efficiency gap	<ul style="list-style-type: none"> • Improved value delivered within available health and care funding 	<ul style="list-style-type: none"> • Allows for increased investment in out of hospital settings to deliver care in the most appropriate settings for the patient • Integrates services improving patient flow through the system and associated productivity

London's Devolution Proposition for Reforming Health And Care Services

Our model of reform to achieve this recognises that collaboration and new ways of working will be needed between commissioners, providers, patients, carers and wider partners at multiple levels.

We are committed to ensuring wide ranging engagement to support development of this model. Political leadership and oversight at the borough level through Health and Well Being Boards and at the pan-London level through the London Health Board will need to develop; further strengthening its connections to all London partners. New leadership and collaboration capability at the sub-regional level will also be required.

We recognise the ultimate accountability of existing statutory organisations to parliament and electorates. In our model, geographies would be accountable for upholding national standards, delivering statutory requirements including, but not limited to, the NHS Constitution and would have to account to the Chief Executive of NHS England for the financial performance of the NHS within the local geography. We are committed to this accountability and upholding national standards and requirements.

Our model will be developed on three geographical levels: local, sub-regional and pan-London. A principle of subsidiarity underpins this ensuring decisions are made at the most appropriate level. There is recognition that acute service transformation will require collaboration across sub-regional footprints and place based budgets will support the linkages between locally led out of hospital transformation and sub-regionally co-ordinated hospital network transformation. Core components of the London approach across the three geographical levels for action will include:

Locally:

- joint multi-year local integration planning, supporting Health and Well Being Board strategies, to secure increased prevention, early intervention, personalisation and integrated out of hospital health and care services – and alignment of provider plans
- full pooling and joint commissioning of NHS, social care and public health commissioning budgets through s75 agreements
- local public asset plans and scheme development to secure facilities to deliver accessible, multi-purpose, integrated out of hospital services

Sub-regionally:

- Delivery of local Health and Well Being Board aspirations through accountable strategic partnerships based on joint committees established to lead transformation at sub-regional scale
- joint health and care strategies to develop new models of care across acute, primary and social care settings
- joint commissioning to secure delivery of sub-regional plans that are clinically and financially sustainable for all parts of the health and care system within the geography

- sub-regional estate plans and scheme development to unlock redevelopment of un- or under-used NHS estate, aligned with local public asset planning

Pan-London:

- The London Health Board, chaired by the Mayor of London, will provide political leadership, oversight and support for the London strategy including delivery of the ambitions of Better Health for London and commitment to the vision set out in the *Five Year Forward View*
- A pan-London joint executive committee, accounting to the London Health Board and with ability to act on behalf of regional and local partners to agree strategic priorities and to create frameworks that support devolved working at all levels
- Partnerships for strategic estate planning, allied to the London Land Commission and sub-regional strategies
- Workforce planning and skills development to match the pace of health system transformation
- Collaboration to develop city level public health improvement actions, including both regulatory and fiscal interventions
- Development of London wide financial and other frameworks, such as new payment models, for use at sub-regional and local level.

To deliver this strategy, three types of action and agreement will be required:

1. **Action by London:** London will build on its record of collaboration and joint working by developing the leadership and delivery arrangements that are required at local, sub-regional and pan-London levels. This will include the swift setting up of pilot collaborations at local and sub-regional levels;
2. **Devolution Unlocked as London Becomes Ready:** Agreement is needed between London government and its NHS partners on the one hand, and Government and the NHS at national level on the other, on a menu of new devolved flexibilities, opportunities and authority that would become available to London and parts of London upon the development of robust joint governance, strategies and delivery arrangements.
3. **Requirements of NHS and Government:** Agreement is also needed on a set of reforms to unlock health improvement and system transformation as part of the CSR decision-making process. This requires action by the NHS, Department of Health and other government departments including CLG

We describe the detail of these three tasks in the next section.

London's Devolution 'Offers':

Actions and Agreements Sought

Action by London

London Leadership: collaborative transformation

Partners recognise that a number of immediate actions will need to be taken to maximise the opportunity afforded by the shared model described. Implementation of this model would require:

- Partners would rapidly establish the governance by which a pan-London joint committee can act on behalf of regional and local partners, account to London's political leadership and meet the statutory requirements of the NHS.
- This is expected to result in the development of a MoU similar to the spirit of the Manchester MoU to be published in autumn 2015, but reflecting London's larger population and need for sub-regional working in addition to pan-London and local levels
- Immediate contribution of resources, capacity and capability from each of the parties to deliver a joint business case and plan across boroughs, the GLA, NHS England, PHE, CCGs and Providers. This would include an articulation of the benefits to be achieved and a plan for their realisation.
- Development of a business plan and associated business case for delivering sustainable transformation through the use of devolved funding to be completed by summer 2016

London Pilots: collaborative transformation

London boroughs have embraced their new public health roles and are innovating to find better ways of engaging with their communities on health and healthy lifestyles, improving public health services, using their regulatory powers to shape healthier places, making links with other services to impact on wider determinants of health and helping embed more preventative approaches into mainstream service planning. They are collaborating to spread best practice and work together on common challenges. This includes collaborative commissioning, often supported by PHE London, both through boroughs working together in small numbers and through pan-London approaches to HIV Prevention and the impending commissioning of sexual health services. Many of these collaborations are supported regionally by the Mayor's public health-related initiatives such as London healthy schools, TfL's huge investment in cycling and its health transport plan, and a pan London community sports programme, amongst others.

We will continue to build on our existing platforms, including by increasing collaboration on prevention between local government, regional government, PHE and the NHS and by mainstreaming prevention into integrated health and care.

To create a platform for the swifter transformation described in our proposals London will build on this record of collaboration by developing a range of pilot collaborations at both local

level for boroughs and CCGs through Health and Well Being Boards and at sub-regional level:

- at least one Borough/CCG level fully integrated strategy where care, public health and CCG budgets are fully shared;
- at least one sub-regional collaboration across health and local government able to develop a full service transformation strategy;
- at least one sub-regional collaboration producing a strategy to transform the health and care estate and release resources from under-used estate to support investment.

These partnerships will be identified during the autumn of 2015 working up their plans in the months afterwards. As their strategies are established these partnerships should be able to draw down a range of further powers from a menu agreed with government as part of the CSR London proposition process.

Devolution Unlocked as London Becomes Ready

This menu of devolution opportunities to be unlocked subject to certain conditions should include the following proposals:

1. **Supporting local integration:** subject to the approval of joint local multi-year integration plans to transform prevention and out of hospital services, underpinned by pooling of budgets, s75 agreements and robust collaborative delivery mechanisms with clear provider engagement:

- full devolution of primary care commissioning to Borough/CCG level
- transformation funding
- the ability to adopt new payment models and vary national contracts, within a regionally developed framework
- a streamlined single performance management approach for NHS spend

Case study:

In Greenwich, teams of nurses, social workers, occupational therapists and physiotherapists jointly respond to community emergencies. Immediate intervention has avoided over 2,000 patient admissions and saved over £1m in social care spend

2. **Supporting sub-regional transformation:** subject to the establishment of local government/NHS sub-regional partnerships with a robust business case for transformation of their local health economy and clear governance and implementation structures:

- NHS England specialised commissioning budgets suitable for managing at the sub-regional level
- transformation funding

Case study:

King's Health Partners and Southwark and Lambeth Integrated Care are working to improve education, prevention, care outcomes and patient experience across the care system. One project, TALK, gives GPs access to 24/7 consultant geriatrician advice and aims to reduce the burden on urgent care. 56% of calls have resulted in planned rapid access appointments, preventing admissions

- the ability to draw down new payment models and variations to national contracts from a menu of regionally developed alternatives
- a role in decision-making on 'cash support' for providers

3. **Supporting sub-regional estates strategy:** subject to agreement of a sub-regional estates business plan and establishment of robust governance mechanisms:

- access to NHS capital on the basis of a joint capital strategy between London partners, as is currently being discussed in Manchester
- power to make capital funding decisions up to a threshold within their envelope
- make variations in capital charges and the capital tariffs to unlock redevelopment of under-utilised NHS estate
- Devolved authority to make joint decisions on disposal of NHS estate in line with the sub-regional capital strategy and NHS accounting officer requirements
- Right to retain the uplift in the value of NHS disposals created through increases in land value that result from the joint capital strategy (allied to pan-London governance to ensure retained income will address need in all parts of London).

4. **Supporting pan-London health and care system transformation:** subject to the establishment of appropriate joint NHS England, CCG and London government structures:

- NHS England commissioning budgets and responsibilities that are not suitable or for holding at sub-regional level or local levels
- a joint role in decision-making on 'cash support' for trusts subject to clear and robust plans that link the support to financial recovery and strategic change, with applications being submitted from the London system to DH
- a role in jointly developing a tariff with NHS England that reflects the cost of NHS services in London and ensure partners have full involvement in proposals to vary the national tariff
- powers and national resources for developing payment and contracting models
- An integrated approach to workforce strategy across London with devolved authority for joint design of co-commissioning training to London level and consideration of devolution of HEE budgets consistent with government's wider demand led approach to skills provision
- making best use of London's share of available improvement resource and funding e.g. NHS IQ

Case study:

A London Prevention Board has been established involving local authorities, CCGs, NHS England, Public Health England and the GLA, which is shaping up proposals for collaborative innovation and work with wider partners to accelerate progress on key population health priorities for the

5. **Supporting pan-London estates strategy:** subject to the establishment of suitable joint NHS and London government governance and management arrangements, aligned with the London Land Commission:

- Protection of London's share of the NHS capital budget for planning purposes as described under "*Requirements on NHS and Government*" below (estimated to be around £1.2 – 1.4 billion per annum for NHS Trusts and primary care estates)
- Power to make capital funding decisions up to the London budget
- London Land Commission (LLC) to have "right of first refusal" on land assembly and disposal in order to increase value in estate disposals with an allied expectation that sub-regional capital strategies are aligned to the wider LLC strategic plans

6. **Supporting pan-London public health improvement:** subject to the establishment of suitable joint GLA and local government governance and management arrangements:

- The ability to raise the minimum age for purchasing tobacco, alcohol and other harmful substances.
- The ability to use fiscal measures to reduce the purchasing of tobacco, alcohol and other harmful substances.
- Power for the Mayor to make health improvement interventions to complement his statutory health inequality duty and functional responsibilities for transport, housing, planning, environment and economic strategy.

Clear joint mechanisms between the government, national NHS bodies and London partners should also be established to work through the detail of conditional devolution. This route should also be prepared to consider further potential devolution or delegation proposals for any level that arise through the development of detailed transformation business cases.

Requirements of NHS and Government

To enable and incentivise partners across London to make accelerate progress on health and care reform in London, we are seeking agreement through the CSR to the following measures:

1. Financial Levers:

- Agreement to future years financial allocations and planning assumptions to give visibility and assurance of funding over a 3 – 5 year period.
- London's share of all national NHS transformation funding devolved, ring-fencing London's share of the £8 billion additional NHS funding [estimated to be £1.74bn] and delegation of London's share [£38m-£45m per annum] of the £750 million Primary Care Infrastructure Fund subject to a clear agreement on expenditure accountability
- Agreement to develop a joint capital strategy between NHS England, CCGs and London partners, with joint decision-making and full visibility of the capital budget.
- Access to NHS capital based on the joint capital strategy and agreed for a 5 year period with the capital strategy being refreshed every two years.

2. Regulatory and Service Levers:

- Full involvement in decisions about provider performance by London partners and the relevant regulatory bodies and delivery of a financial envelope for providers. This to include a commitment to explore with the DH, NHS England

and NHS Improvement a mechanism for devolving the approval of cash support linked to financial recovery and strategic change with applications being submitted from the London system to the DH.

- A process for agreeing with government, NHS England and NHS Improvement how provider regulation in London can better contribute to whole system transformation ambitions
- Agreement by NHS England and Monitor to arrangements where London partners have full involvement in proposals to vary and otherwise reach local agreements related to the national tariff in order to develop innovative payment mechanisms that support the delivery of new models of care.
- Agreement from NHS England and NHS Improvement to consider a single joint appointment across both organisations for activities across London.
- Agreement to streamlining national programmes and devolving NHS England decision-making and powers to the regional level as much as possible.

3. *Public Health Issues Involving other Government Departments:*

- Agreement to devolve the Work Programme Plus to enable integration of employment support and health, and strengthen the focus on employment outcomes in the NHS mandate (see Chapter 2)
- Make health a key consideration in the National Planning Policy Framework (Section 2 – Ensuring the Vitality of Town Centres) to strengthen local authorities' ability to reflect health issues in their local plans.
- Update Planning Policy Guidance, reflecting examples of case law, to embed health and wellbeing eg establishing exclusion zones around infant, children or young person facilities for fast food, alcohol, betting and payday loan outlets.
- Ensure consistency of approaches by Planning Inspectors to appeals against refusal of permissions on public health grounds.
- Make health a fifth licensing objective to enable councils to take public health issues into account when making licensing decisions.
- Amend the Late Night Levy so that the charges are put into a pool under the joint control of the local authority and police, to increase the incentive for areas to use these powers because they will be able to determine locally the appropriate balance of spending on prevention and policing.
- Additional regulatory powers for London boroughs and the London Mayor including:
 - Give councils power to determine permitted development rights – to enable them to balance local considerations, which would enable them to consider health alongside growth and other factors.
 - Give councils the power to set regular review periods for alcohol licences.
 - Give councils the power to vary business rates, to enable them to consider health implications alongside growth and other local factors, eg to incentivise the provision of healthy food options.
 - Agreement to continue to work with London partners to develop additional powers as required