

Written evidence submitted by the NHS Confederation [DEV 57]

Cities and Local Government Devolution Bill

1. During our Chief Executive's appearance at the committee's session on the Devolution Bill on 10 November 2015, the Committee's chair asked the NHS Confederation to produce a note. This would explain what the Cities and Local Government Devolution Bill could enable, that was not already permissible, that benefits our members in agreeing devolution deals. We are pleased to submit further evidence for the Committee's consideration.
2. It is clear that the process of agreeing a deal is important in terms of relationships, agreements and governance even before additional powers are granted. This note sets out how the deals help and the additional freedoms that are brought to bear in the draft legislation.
3. Of the 38 bids submitted, around half have included requests relating to health and social care. The submissions vary with regards to the number and types of powers requested. We have been engaging with several members who are involved in devolution deals in their local area, including Greater Manchester, but also other areas like Hampshire. This note is based on that engagement as well as our own understanding, analysis and monitoring of the legislation.
4. The introduction of the Cities and Local Government Devolution Bill to Parliament has sent out a clear signal of intent to local leaders of the Government's strong support and encouragement for the devolution agenda. Whilst formal devolution of health and social care is not right or necessary for all areas, our members are clear that in some places it is a positive step and the enabling framework offered by the Bill will support local efforts to join up care planning and delivery.

A catalyst for local partnerships

5. Several members, including those from Greater Manchester and Cornwall, have highlighted that the process of agreeing a devolution deal has acted as an important catalyst for them to have difficult conversations about how best to plan and deliver joined up services that better meet the needs of their populations. In particular, the necessity to produce a plan and agree a deal has proven instrumental in bringing health and local government leaders together to discuss local services and to start to agree changes.
6. We support the Bill as a way of enabling some local areas to achieve greater integration of services across health and social care, and importantly also with public health and other services that come under the remit of local authorities, so that those areas can take a broader outlook on improving the health of the populations they serve.

Pooling resources and transferring functions – new provisions

7. The ability to pool budgets across health and social care is seen by our members as an important enabler for improving services for patients. Section 75 of the NHS Act 2006, already allows local authorities and NHS CCG budgets to be shared, most notably demonstrated by the Better Care Fund. However the scope of Section 75 is limited to budget pooling between NHS CCGs and local authorities.
8. The devolution bill makes joint decision making between a local authority and CCGs more practicable, by enabling commissioning **functions and financial resources** to be transferred to joint commissioning boards, but with accountability arrangements unchanged (i.e., existing accountabilities would be retained by NHS England and CCGs).
9. A further material step is that **the Bill also recognises that the scope of some devolution plans may make it necessary to transfer or concurrently/jointly exercise functional responsibilities from a public authority such as a government department or NHS England, to a combined or local authority.** The Bill sets out that this would be brought about by an order from the Secretary of State and says that it would be accompanied by a corresponding transfer of duties, accountabilities and resources.
10. We think these provisions could potentially allow some local areas to have **much greater control over the planning and delivery of services that are currently outside the remit of local authorities and NHS CCGs**, particularly those held by NHS England which has responsibility for commissioning specialised services. This allows those areas the scope to shape a much wider array of services, than current legislation would permit.
11. In taking these steps, we are pleased to note that **the importance of having a clinical voice in any commissioning decisions has been recognised in the safeguards contained in the bill that ensure that at least one of the prescribed bodies that form part of a joint commissioning board must be a CCG.** The ability to delegate decision making to a joint board which includes a CCG in this way will be an important tool for better joining up the planning and delivery of services in some local areas.

Benefits

12. Our members tell us that these provisions give local areas wanting to use them a new opportunity to do things differently and to take a broader focus across the range of services that affect the health and wellbeing of their local populations. The extent to which they make use of this will depend on the specific local situation. The Greater Manchester deal for instance will include funding for specialised services, devolved from NHS England. Other examples from the current devolution deals being developed include:
 - The proposed Gloucestershire deal includes specialised services (except highly specialised) and some aspects of primary care from NHS England and public health funding (including for immunisation and screening) from Public Health England.

- The proposed Oxfordshire deal includes bringing in money spent on GP and primary care, and specialised services.
- The proposed deal in Wiltshire includes devolved funding from Health Education England to be spent on addressing local workforce issues.
- We are aware of other areas, which have asked for place-based multi-year budgets, control of immunisation and screening services; control of NHS estate; support to buy out a private finance initiative (PFI) scheme; and increasing financial allocations.

No silver bullet

13. As Rob Webster highlighted in his evidence to the committee, despite the benefits from wider pooling of budgets and functions, devolution will not be a silver bullet to solve the significant financial challenges facing either health or social care. Devolution of health and care will not necessarily improve financial sustainability unless funding issues across the system are addressed in the allocations of funds to appropriate areas following the spending review. Until this happens, our members fear that all devolution may be achieving is making a national funding problem a local funding problem.

14. We hope this proves useful to the committee's inquiry.

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