

REQUEST FOR DIRECTOR DECISION DD1164

Title: London Health Commission – Block Expenditure

Executive Summary:

MD1286 records the Mayor's approval of the receipt of an expected £4.0m from NHS England (final amount may be subject to negotiation) to fund a range of activities including the establishment of the London Health Commission and a GLA contribution of up to £35k in this regard; and delegation of authority to the Executive Director of Communities and Intelligence to take all further actions required to implement Commission activities.

The Commission will examine issues about how health improvement and the healthcare system can best operate to meet the needs of London and improve health outcomes for Londoners. The GLA will work alongside the Commission to support their work

Decision:

That the Director approves expenditure of up to:

- £3.3m (Gross Budget - £4.15m less DD1141/DD1157) as outlined in the budget in appendix 1; and
- £115k (balance of Gross Budget made up from GLA funding);

following the receipt of £4m from NHS England and internal allocation of GLA funding of up to £150k (£35k in 2013/14 and £115k of which is agreed in principle subject to formal approval of the 2014-15 GLA budget) – "Gross Budget" to support the work of the London Health Commission (LHC) and its running costs.

AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities. It has my approval.

Name: Jeff Jacobs

Position: Executive Director for Communities and Intelligence

Signature:

Date:

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The Mayor of London announced the independent London Health Commission in September 2013. The Commission will examine issues about how health improvement and the healthcare system can best operate to meet the needs of London and improve health outcomes for Londoners. This commission will be informed by independent advisers and broad stakeholder engagement. This document details a proposed consultancy agreement for a cross-cutting coordination and advisory role in order to deliver the final report by autumn 2014.

The London Health Commission will begin with understanding the context of London's health and healthcare system and identifying what is and is not working effectively. This will in part be informed by an assessment of the progress in implementing the changes proposed in the 2007 Healthcare for London review. It will also look to future health and healthcare, as well as the link between social care and impact on health outcomes. It will consider how future challenges and opportunities might help shape health and healthcare.

The commission will examine four broad themes and make recommendations under each:

1. Improving the quality and integration of care
2. Enablers to high quality and integrated care delivery
3. Healthy lives
4. Health economy, research and education

2. Requirement

2.1 The Commission will operate independently within its governance framework but as the Commission has no legal status the GLA is accountable to NHS England for the appropriate use of this grant funding and shall be contracting on behalf of the Commission to facilitate its activities. The project will fall within the GLA project management reporting and governance framework.

2.3 An initial breakdown of proposed expenditure to be funded by £4m NHS income and £150k by the GLA itself is set out in the Appendix 1 to this decision. This was approved by IPB on 17th January 2013. The following two Director Decisions have also been approved;

- DD1141: £100k to procure specialist health advice for the Commission
- DD1157: £635,000 for the Managing agent, preparatory work and contracts up to the value of £0.4m for analysis and engagement activities in January

3. Other considerations

3.1 Key Risks and Issues

Risk detail	Contingency
Failure to identify sufficient resources within the project timeline	A phased approach to implementation is planned
Failure fully to engage the health sector to provide evidence and input to the Commission's recommendations	Ensure clinical engagement via both Commissions membership & the working groups is sufficiently broad to minimise this risk

3.2 Links to strategies and Mayoral and corporate priorities

- Contributes to delivery of Mayor's Health Inequalities Strategy – relating to the access of Londoners to quality health care services
- Supports the London Health board priority of making the case for London & reduce the impact of public spending cuts to medical research and development.
- Aligns with Mayor's economic priorities in terms of realising the financial impacts of growth to the health sector as a major employer & contributor to the London economy and in particular
 - Generating more high value jobs and opportunities in London for construction & health related businesses
 - Improving returns for investors and taxpayers (measured through GVA), increasing economic resilience and attracting investment in healthcare related industries

3.3 Impact Assessments and Consultations

- The London Health Commission will invite a broad range of stakeholders and interested parties, from London and beyond, to inform its work and recommendations. This will include public consultation on its emerging findings and draft recommendations.
- A variety of engagement activities will be considered. The decision on the final process will be based on:
 - the consultation's detailed and specific objectives
 - the people whom the Commission wishes to consult and
 - the period of time set aside for the consultation.
- It is likely that the consultation process will include both traditional and more innovative methods, including paper based, online and face to face work. Activities may include: a series of focus groups, a series of stakeholder events, public opinion polling, webcasts of key public meetings etc.

4. Financial comments

- 4.1 MD1286 approved the establishment of the London Health Commission, which includes the receipt of £4m grant funding (£2m in 2013-14 and £2m in 2014-15) from NHS England and a GLA contribution of £35,000 in 2013-14 to fund various policy and research activities in line with priorities set out by the Commission. As per DD1157, a further GLA contribution of £115,000 to the Commission in 2014-15 has been agreed in principle (subject to formal approval of the 2014-15 GLA budget), which would bring the total gross budget to £4.150m.
- 4.2 To date, expenditure of up to £735,000 has already been approved via DD1141 (£100,000) and DD1157 (£635,000). Approval is now being sought to approve expenditure for the balance of the gross budget available (£3.415m), specifically £3.3m of the NHS England Grant and the £115,000 GLA contribution to the Commission allocated for 2014-15. Expenditure will include staffing resource, work packages and communication & engagement projects as per Appendix 1 of this report.
- 4.3 The receipt of income and the associated expenditure will be accounted for within the Health & Communities Unit. Any changes to this proposal, including budgetary implications and specific expenditure items not covered via this approval will be subject to further approval via the Authority's decision-making process for which delegation to the Executive Director of Communities & Intelligence was approved through MD1286. All appropriate budget adjustments will be made.
- 4.4 The Health & Communities Unit within the Communities & Intelligence Directorate will be responsible for managing all the GLA's activities relating to the Commission and ensuring that all

associated expenditure complies with the Authority's Financial Regulations, Contracts & Funding Code, Expenses & Benefits Framework and Funding Agreement Toolkit.

5. Legal Comments

- 5.1 Sections 1 – 4 of this report indicate that the decisions requested of the Director (exercising the authority delegated to him under cover of MD1286) fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London in manner which promotes the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom.
- 5.2 Officers must ensure that:
- 5.2.1 they are content that the GLA can meet any conditions to which the NHS England funding is subject seeking legal and finance advice as necessary;
 - 5.2.2 the GLA does not act in reliance of such funding until NHS England are obligated to the provision of the same (by way of a funding agreement or other legally binding document);
 - 5.2.3 any supplies and services which may be required in relation to the work of the London Health Commission are procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code appropriate contract documentation is put in place and executed by the successful bidder(s) and the GLA before the commencement of such services;
 - 5.2.4 any grant funding which may be awarded to third parties because their projects corresponds with the objectives of the London Health Commission is distributed fairly, transparently, and in accordance with the GLA's equalities and in manner which affords value for money in accordance with the Contracts and Funding Code and funding agreements are put in place and executed by recipients and the GLA before any commitment is made to the grant of funding; and
 - 5.2.5 they comply fully with all GLA HR/Head of Paid Service protocols in respect of any staffing proposals, in particular the need to gain all necessary approvals for the creation or deletion of posts.

6. Next steps

The next steps following consideration/in-principle approval by IPB are summarised below:

Activity	Timeline
Publish scope and "Call for Evidence"	Autumn/ Winter 2013:
Written evidence received.	Winter 2013/14:
Evidence hearing sessions undertaken.	Winter/ Spring 2014:
An analysis of the challenges and opportunities	Spring 2014:
A final report of the Commission's recommendations	Autumn 2014:

Appendices:

Appendix 1- Forecast Budget

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

It contains information the disclosure of which would be likely to prejudice the Authority's commercial interests by distorting competitiveness in the relevant market for supplies or services it may require to meet the objectives of the London Health Commission . Such distortion impacts upon the Authority's ability to secure competitive and sustainable bids for the provision of such supplies or services and value for money which is not in the public interest

Until what date: (a date is required if deferring) 15 February 2014

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Amanda Coyle has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Amanda Coyle has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

Appendix 1 Forecast Budget

TOTAL PROJECTED INCOME	4,150,000
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EXPENDITURE	Real expenditure (excludes in-kind contributions)
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STAFFING

Senior Staff	366,340
Communications	274,343
Administrative and PMO support	87,541
Improving the Quality and Integration of Care	113,188
Enabling High Quality and Integrated care	224,504
Healthy Lives and Reducing Inequalities	42,419
Health Economy, Research and Education	213,752
Total Staffing	1,322,087

WORK PACKAGES

Improving the Quality and Integration of Care	620,000
Enabling High Quality and Integrated care	650,000
Healthy Lives and Reducing Inequalities	50,000
Health Economy, Research and Education	220,000
Total Work Packages	1,540,000

Communications and Engagement

Stakeholder engagement and events	250,000
Evidence hearing sessions	150,000
Public consultation (optional)	700,000
Total Communications and Engagement	1,100,000

Backfill for clinical and other advisors	50,000
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NON-PAY

Expenditure for accounts generation	10,000
General managing agent contract	80,000
Travel and subsistence	30,000
Total Non-Pay	120,000

TOTAL EXPENDITURE	4,132,087
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