Subject: Update on NHS and Public Health Reform in London

Report to: Health and Environment Committee

Report of: Executive Director of Secretariat

Date: 12 September 2012

This report will be considered in public

1. Summary

4.1 This report sets out the background for a discussion with representatives from NHS London, the Kings Fund and other guests, on the challenges and impacts of NHS and public health reform in London.

2. Recommendation

2.1 That the Committee notes this report as background to the discussion with health experts.

3. Background

3.1 The Health and Social Care Act 2012 sets out a major restructuring of healthcare services and of public health responsibilities due to be in place by April 2013. The main changes are:

- The abolition of NHS London, the strategic Health Authority and Primary Care Trusts (PCTs), which have been responsible for most commissioning;
- Moving responsibility for most commissioning to clinical commissioning groups (ccgs) made up of GPs and other health professionals;
- Setting up a National Commissioning Board (NCB) to oversee the clinical commissioning groups and to take responsibility for commissioning specialist services, dentists and primary care; and
- Local authorities taking on responsibility for public health issues like obesity, alcohol misuse, smoking and sexual health from April 2013, with oversight from Public Health England, a national body that will also be responsible for health protection.

3.2 These changes are aimed at providing patients with more choice and control over their healthcare, improving healthcare outcomes and allowing health professionals more freedom to exercise professional judgment about patient care. The reforms will pose significant challenges for London, in terms of the size and scale of the changes required, the timeframe in which to deliver the changes

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1 EQUITY AND EXCELLENCE: LIBERATING THE NHS, DEPARTMENT OF HEALTH, JULY 2010
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and ensuring the strategic perspective of healthcare and public health in London is maintained post April 2013.

3.3 Around seven months of the transitional phase to the new structure remain. A further challenge for the NHS in London during this period will be to continue to deliver the full range of health care services, whilst working towards its contribution to making £15–20 billion efficiency savings under the national Quality Innovation Productivity and Prevention (QIPP) Programme by 2015. Savings made from the QIPP are to be reinvested in frontline care to provide continual improvement in the quality of care patients receive.

3.4 The Assembly’s predecessor Health and Public Services Committee (HSPC) regularly heard from and questioned the Chief Executive of NHS London, the strategic Health Authority for London, and the Regional Director of Public Health in London and other key experts, about progress in implementing the changes, and the challenges they pose for healthcare and public health in the city, both now and in the future. The most recent briefing took place on 18 January 2012. This Committee will continue to receive such briefings in the run up to April 2013.

3.5 This meeting will update members on:
- the transition and change programme for health services and healthcare provision in London;
- the current consultation programme on plans to reorganise Accident and Emergency care;
- and
- public health funding and responsibility and accountability under the new structure.

**Health services and healthcare provision**

3.6 From April 2013, the majority of health services (including specialist health services, dentists and primary care) will be commissioned by local clinical commissioning groups (CCGs), made up of GPs and other health professionals. CCGs will be accountable to an independent NHS Commissioning Board (NHS CB), which will operate four regional hubs and 27 local offices. The primary purpose of the regional hubs, of which one is in London, will be to implement national policy.

3.7 CCGs will be able to commission services from any qualified provider, meaning that NHS hospitals and mental health trusts will compete with each other to provide services, and potentially with private and voluntary sector providers. Key to competing for business from CCGs will be the ability to demonstrate effective financial management and/or high service quality. NHS trusts are able to demonstrate this by achieving Foundation Trust status. Trusts that do not become foundation trusts (FT) are likely to struggle to compete for business from CCGs. There are a high proportion of acute hospital trusts in London that have yet to achieve FT status.

3.8 There are significant financial challenges to delivering the new management and commissioning structure. There will be a 50 per cent reduction in commissioning running costs in London. Whilst NHS London is committed to making significant efficiency savings as part of the national QIPP programme, an overall deficit in excess of one million is forecast for London’s acute sector in

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3 See [HTTP://WWW.LONDON.NHS.UK/](HTTP://WWW.LONDON.NHS.UK/)
5 ESTABLISHED IN OCTOBER 2011 [HTTP://WWW.COMMISSIONINGBOARD.NHS.UK/ABOUT/](HTTP://WWW.COMMISSIONINGBOARD.NHS.UK/ABOUT/)
6 FOUNDATION TRUSTS ARE TAILORED TO THE NEEDS OF THE LOCAL POPULATION. THEY ARE RUN BY LOCAL MANAGERS STAFF AND MEMBERS OF THE PUBLIC AND HAVE MORE FINANCIAL AND OPERATIONAL FREEDOM THAN OTHER NHS TRUSTS. THEY WERE FIRST INTRODUCED IN APRIL 2004
2011/12. An added challenge is that NHS London will cease to operate from 2013, potentially leaving a vacuum for a strategic overview on health services and provision in London.

**Accident and Emergency care**

3.9 North West London NHS Trust is currently consulting on proposals to reorganise the delivery of accident and emergency care (A&E) across North West London. The consultation document, *Shaping a healthier future*,\(^8\) sets out a series of recommended changes and options aimed at improving patient care. The changes will span a large geographical area and impact a significant number Londoners. The Assembly wishes to ensure that patient care is not adversely affected and on 11 July 2012 passed a motion noting its concerns and highlighting need to maintain the highest levels of emergency care across the whole of London.\(^9\)

**Public health**

3.10 A three-tier national structure will be established as the service provider for public health. A national body called Public Health England (PHE) will be supported by four regional hubs, one in London, and a number of local units, the precise number yet to be confirmed at the time of writing.\(^10\) At local level, local Authorities will be required to appoint a Director of Public Health and to establish a Health and Wellbeing Board (HWB) to help discharge its functions under the Act. HWBs will be responsible for encouraging integrated working and developing Joint Strategic Needs Assessments and joint Health and Wellbeing Strategies. HWBs are currently operating in shadow will assume statutory responsibility from April 2013. They are in the process of developing their Health and Wellbeing Strategies.

3.11 At the London level, the Mayor, in partnership with the NHS and London boroughs, through the London Health and Improvement Board (LHIB),\(^11\) is working to develop and deliver a pan-London work programme to improve Londoner’s health and reduce health inequalities. LHIB was set up in shadow in 2011 and will assume statutory status in April 2014. LHIB’s priority work areas for 2012/13 are childhood obesity, alcohol misuse, prevention and early diagnosis of cancer, and improving the availability, sharing and use of health data.

4. **Issues for Consideration**

4.1 Experts invited to participate in the briefing and answer the Committee’s questions include:

- Dame Ruth Carnall DBE, Chief Executive, NHS London;
- Dr Simon Tanner, Regional Director of Public Health, NHS London and Health Advisor to the GLA;
- Dave Buck, Senior Fellow, Public Health and Inequalities, The Kings Fund;
- Professor Adrian Renton, Director, Institute for Health and Human Development, University of East London; and
- A representative from the Greater London Authority.

5. **Legal Implications**

5.1 The Committee has the power to do what is recommended in the report.

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\(^8\) [HTTP://WWW.HEALTHIERNORTHWESTLONDON.NHS.UK/DOCUMENT/SHAPING-HEALTHIER-FUTURE-CONSULTATION-DOCUMENT](http://WWW.HEALTHIERNORTHWESTLONDON.NHS.UK/DOCUMENT/SHAPING-HEALTHIER-FUTURE-CONSULTATION-DOCUMENT)

\(^9\) [HTTP://WWW.LONDON.GOV.UK/MEDIA/PRESS_RELEASES_LONDON_Assembly/LONDON-NEEDS-HIGHEST-LEVELS-AE-CARE-SAYS-ASSEMBLY](HTTP://WWW.LONDON.GOV.UK/MEDIA/PRESS_RELEASES_LONDON_Assembly/LONDON-NEEDS-HIGHEST-LEVELS-AE-CARE-SAYS-ASSEMBLY)


\(^11\) [HTTP://WWW.LHIB.ORG.UK/](HTTP://WWW.LHIB.ORG.UK/)
6. **Financial Implications**

6.1 There are no financial implications arising from this review.

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**List of appendices to this report:**

There are none.

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**Local Government (Access to Information) Act 1985**

List of Background Papers:

There are none.

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