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| Committee(s): | Date(s): |
| Health and Well Being Board | 7 November 2012 |
| Subject: Public Health Contracts Transition Update | Public |
| Report of: Director of Community and Children's Services | For Information |
| Ward (if appropriate): All | |
| <u>Summary</u> | |
| <p>This report provides an update on the progress made by the City of London Corporation and the London Borough of Hackney to transition the existing public health contracts currently managed by NHS North East London and the City.</p> <p>The City and Hackney Public Health Transition Board are coordinating the transition of the public health function.</p> <p>Currently approx. 400 contracts (Block, Local Tariff, or spot purchase) have been identified and are in the process of transition. Option assessments are being made to determine whether to novate, terminate or re-procure existing contracts.</p> <p>Officers have categorised the provisional list of existing contracts into Jointly Commissioned, Hackney specific and City specific. They are developing proposals to ensure the safe transfer of key existing services for 2013/14 while developing a longer term strategic approach to future commissioning that takes into account potential changes in funding from 2014/15 onwards.</p> <p>Recommendations</p> <p>Members of the Health and Well Being Board are asked to:</p> <ul style="list-style-type: none"> • Note the progress transitioning the NELC Public Health contracts to the City of London. | |

Main Report

Background

1. On 21 March Parliament passed the Health and Social Care Act 2012 which proposed the transition of the current NHS Public Health functions to local authorities and the City of London on the 1st April 2013.

2. Services previously delivered by PCT public health departments and their commissioned providers are to dovetail with local government functions. The democratic accountability brought by this shift will give residents and Members a greater say in public health strategy and outcomes.
3. The City will be given funding and the responsibility for delivering public health to meet the following broad outcomes:
 - Domain 1 – Health protection and resilience: protecting people from major health emergencies and serious harm to health;
 - Domain 2 – Tackling the wider determinants of ill health: addressing factors that affect health and wellbeing;
 - Domain 3 – Health improvement: positively promoting the adoption of ‘healthy’ lifestyles;
 - Domain 4 – Prevention of ill health: reducing the number of people living with preventable ill health; and
 - Domain 5 – Healthy life expectancy and preventable mortality: preventing people from dying.
4. Currently there are c. £23M of contracts managed by the NHS North East London and the City (NHS NELC) that are delivering public health services across City and Hackney that have been designated to transfer to CoLC and the London Borough of Hackney (LBH). Topic areas include Sexual Health, Obesity, Smoking Cessation/Prevention, Immunisation, Drugs and Alcohol etc.
5. This overall budget is likely to reduce from 2014/15 onwards in a bid to “equalise” the distribution across differing boroughs through the introduction of a national formula allocation. .
6. Officers in the LBH and CoLC have been working closely with the public health team in NHS NELC to assess the volume and detail of the current service provision as part of the transition process. There are three main strands to the transition:
 - Functions; the overall responsibilities that will transfer to the local authorities inc health intelligence, information and advice, support to the clinical commissioning group, health protection contractual management, etc.
 - Resources; staff and budgets.
 - Contracts; the actual commissions delivering frontline services across the sector, Block, Local Tariff, or spot purchase contracts.
7. It is currently estimated that the overall Public Health budget for the CoLC for 2013/14 will be £1.3 Million. Confirmation of the final funding

allocation is due to be released by the DoH on the 18 December 2012. Within this allocation CoLC has estimated it will have a contractual liability of approximately £960K for 2013-2014.

Local Arrangements

8. CoLC was invited to join the LBH Public Health Transition Programme Board structure which was created to manage the transition process between NHS NELC and the two local authorities. Within this structure the Resources and Contracts Sub Group has been formed and given the responsibility to oversee the contractual transfers. This group reports to the LBH & CoL Public Health Transition Lead Officers Group, which in turn reports to the Transition Board. The Director of Community and Childrens Services represents CoLC on the Transition Board.
9. Early in the financial year NHS NELC notified all providers that their contracts would terminate on the 31 March 2013 and that subject to review the LB Hackney and the City of London Corporation would be responsible for any decision about services continuing in 2013/14.

Progress

10. The core principles underpinning the transfer of contracts are:
 - Continuity of clinical care must not be threatened during contract transition
 - A consistent and objective approach is required
 - There will be openness, transparency and visibility of progress
 - Management action should be proportionate to the risks identified
 - It is the responsibility of the current contracting authorities (NHS NELC) to prepare contracts for transfer and ensure no 'net gain' or 'net loss' due to the transfer process
 - It is the responsibility of the new contracting authorities to establish the management controls and operational processes to receive contracting responsibilities and maintain continuity of service
11. The transfer of contracts nationally was planned in three phase:
 1. Stocktake (March-June 2012)
 2. Stabilisation (by 30 September 2012)
 3. Shift (October-March 2013)
12. The Stocktake phase was required to be completed at the end of March 2012. PCTs were requested to submit an initial consolidated Contracts Volumes Summary Report for their Cluster by 7 June 2012. NHS NELC provided LBH and CoLC with an initial list of 100 contracts at the end of

June 2012. This contained basic information included contract length and costs and a brief description of each service. LBH also produced a brief review report on 30 of these contracts at the end of July.

13. CoLC conducted a provisional analysis of the initial 100 contracts and, subject to further information, categorised these into three primary strands:
 1. Jointly Commissioned Statutory and Mandatory service contracts which will be required to continue during 2013/14. As well as the wider programme delivery contracts i.e. smoking cessation/prevention, obesity, sexual health etc, these also include strategic and clinical contracts which will involve agreeing commissioning arrangements with the Clinical Commissioning Group (CCG). It is intended that the majority of these will continue during 2013/14 as shared services (approx. £700K).
 2. Hackney Specific Contracts; those focused on delivering services for and within the London Borough of Hackney.
 3. City specific (Community Contracts) and those that clearly have a direct relevance to the City's needs and residents and those that are known to City services and providers (approx. £250K).
14. The second stage, Stabilisation, was designed to ensure that the following actions were taken to protect services during transition:
 - Maintenance of the data capture tool and tacit knowledge tool
 - Development of a Contracts Transition Engagement Plan
 - Development of an Action Plan, addressing risks identified during the Stocktake phase.
15. The transfer of contractual data to local authorities was required to be completed across all PCT clusters by 30 September 2012.
16. As part of the Shift phase (October 2012-March 2013) the current contracting authorities, supported by SHA Clusters, will be required to ensure that the planning for the transfer of agreements does not result in unjustified financial gains or losses for either contracting party. The DoH will be issuing further guidance on the Shift phase before the end of November.
17. The first batch of contractual information was passed to the CoLC and LBH on the 15 October and comprised of 120 contracts managed by the NHS NELC Public Health team. These contracts were a mix of community services and enhanced services e.g. with pharmacies and NHS Trusts.
18. The second phase is planned to be sent over mid-November. These will comprise of approx. 200 contracts managed by the NHS NELC Primary

Health team. These should include sector wide contracts, those that cover the three authorities and the City.

19. It is also anticipated that there will be approx. 80 remaining contracts which deliver a mix of Acute and Public Health services with the Trust Hospitals. Additional work will be required with the CCGs during 2013/14 to disaggregate and apportion management responsibilities for the elements of these after establishing need and provision.

Next Steps

20. The Resources and Contracts sub-group will need to establish the total number and total value of contracts which require disaggregation, novation, re-tendering or termination by the end of the calendar year and ensure that the decisions are implemented effectively to deliver a safe transition of services for City and Hackney residents.
21. The LBH is currently interviewing for three new commissioning posts to lead the implementation. LBH and CoLC have agreed that between November 2012 and March 2013 these posts will work across the two authorities to ensure that a safe transition takes place.
22. CoLC will be working closely with LBH to develop an overarching framework contract to capture the City's responsibilities for those contracts identified by the City and LBH as Jointly Commissioned Statutory and Mandatory for at least 2013/14.
23. As many of these are relatively high value contracts, during 2013/14, further work will need to be done to establish the actual need, requirements and scope of provision for these services across both authorities in anticipation of the introduction of the national formula allocation in 2014.
24. In the coming months the Comptroller and lawyers from the LBH will need to establish the overarching legal agreement to allow a flexible joint commissioning arrangement for the statutory and mandatory contracts. An agreement will also be needed between the CCG, LBH and CoLC to facilitate and manage the wider clinical, regional and pan-London contracts in the short and longer terms.
25. In the City specific (community contracts) category there are likely to be under 20 contracts to be reviewed and determined. These generally have lower values that will allow extension through negotiation or re-tendering (using the short process, Request of Quotes). The CoLC also plan to set aside a provisional contingency sum to cover any 'unaccounted need' and to provide services on a spot purchase basis if required.

26. CoLC intend to use the interim year to facilitate a number of ‘action research projects’ within the community contracts to obtain more detailed intelligence and data on the needs of City residents and its communities to better inform commissioning from 2014/15 onwards.

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