

<b>Committee</b>	<b>Date(s):</b>
Health and Wellbeing Board Efficiency and Performance Sub Committee Community and Children's Services	7 May 2013 8 May 2013 10 May 2013
<b>Subject:</b> Transfer of Public Health Functions 2013/14	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Information</b>
<p><b>Summary</b></p> <p>This report advises members about the transfer of public health functions and related funding from primary care trusts to local authorities, which became effective from 1<sup>st</sup> April 2013. It sets out:</p> <ul style="list-style-type: none"> <li>• the levels of transferred funding the City of London Corporation (CoLC) is receiving for 2013/14 and 2014/15;</li> <li>• the approach to commissioning the transferred public health contracts which CoLC will be responsible for; and</li> <li>• the changes to Community and Children's Services staffing structures being made to reflect the transfer of public health responsibilities.</li> </ul> <p>The report sets out how the City of London has worked in partnership with the London Borough of Hackney and the London Borough of Newham to find the most effective and efficient commissioning and staffing arrangements which reflect the scale of need within the City but allow it to play a strategic role within Inner north east London.</p> <p><b>Recommendation(s)</b></p> <p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• note the report;</li> </ul>	

## Main Report

### Background

1. From April 2013 public health functions and related funding has transferred from primary care trusts (PCTs) to upper and single tier authorities. Local authorities have a duty to take appropriate steps to improve the health of their population, funded through a ring-fenced grant. They will take the lead for improving the health of their local population and reducing health inequalities.

2. Funding is ring-fenced and can only be used for public health functions, although it may be applied to revenue or capital spend (with the exception of items requiring borrowing) or pooled.
3. As virtually all the previous NHS spend on public health functions was commissioned on a joint City and Hackney basis Officers have working with LB Hackney and NHS North East London and the City PCT cluster (NELC) to establish the disaggregated predicted spend for 2012/13 and estimates for 2013/14 across all contracts transferring to the LB Hackney and City of London. The transfer is being overseen by the City and Hackney Public Health Transition Board where the City of London is represented by the Director of Community and Children's Services.

## **Current Position**

### Funding allocation

4. The ring-fenced funding allocations for local authorities were announced on 10 January 2013 by the Department of Health.
5. The level of public health grant for the next two years for the City of London is as follows; figures for Hackney and the whole of London are shown for comparison:

	<u>City of London</u>	<u>LB Hackney</u>	<u>London</u>
• 2013/14	£1,651,400	£29,005,400	£553,000,000
• 2014/15	£1,697,600	£29,817,500	£578,000,000

6. The level of grant allocated to the City of London Corporation for the next two years is higher than originally expected and exceeds the funding required to meet the disaggregated costs of the existing public health contracts and staff transferring to the City in 2013/14 and 2014/15.
7. However, existing public health contracts were based on meeting the needs of the resident population only. The City of London Corporation (CoLC), by commissioning research on the public health needs of City workers and in discussion with officials from the Department of Health has made clear that the City would need additional funding to begin to address the needs of the working population. The level of grant received has given us the opportunity to take this work forward in 2013/14.

## **Commissioning framework for contracts**

8. Officers worked closely with colleagues in LB Hackney as part of the City and Hackney Public Health Transition Board to assess the range and scale of functions and services being delivered in 2010/13 across Hackney and the City and to develop a commissioning framework to ensure an effective transfer of responsibility from NHS NELC to CoLC and LB Hackney in April 2013.
9. Public Health Services were being provided in the area through almost 100 separate NHS contracts. They were being delivered by a range of providers including GP practices, pharmacies, hospitals, leisure centres and by a wide range of community and voluntary services. Services provided included:

- alcohol and drug misuse;
- immunisation;
- HIV and sexual health;
- smoking cessation;
- dental health;
- health checks and health improvement;
- nutrition, obesity and physical activity;
- prevention, detection and infection control; and
- mental health

There were some delays in the NHS locating and sending details of the existing contracts to the LB Hackney and the City. They were finally received in late 2012. Officers examined the existing contracts and found that the quality of contract documentation was variable. To facilitate a smooth transition LB Hackney and the City undertook to continue funding all existing PCT Public Health Contracts that had been identified by the Director of Public Health as being good performers. In order to do this all providers have been reissued with either a LB Hackney or City of London contract, based on the Department of Health model, with refreshed service specifications and key performance indicators and a 3% reduction in contract costs.

Contracts were categorised into four commissioned 'strands' which helped to ensure that even in the first year of taking on public health responsibilities the City could ensure that the funding received was being directed as effectively as possible. The commissioning strands for 2013/14 are as follows:

#### Hackney-only contracts

10. These contracts are for services being delivered for specific communities or geographical areas in which CoLC has no identified responsibility, need or interest. Services in this strand include, for example, screening services for the Jewish community and smoking cessation for the Turkish community. LB Hackney will have sole responsibility for funding and managing these services at no cost to the City of London.

#### Hackney 'Lead' contracts

11. These contracts are for services being delivered to residents across the City and Hackney area. The one year contracts are commissioned and managed by LB Hackney on behalf of the CoLC. A Service Level Agreement has been agreed between the CoLC and LB Hackney to formalise the arrangement.
12. The contracts specify that these services should be promoted and accessible to City of London residents and that service performance information provided by contractors to LB Hackney must allow Officers to monitor and evaluate the level and quality of services being provided to City residents. This information can be shared with the City as part of the Service Level Agreement. This will help us to consider whether services are effective for City residents and allow them to be re-commissioned from 2014/15 onwards if not.

13. CoLC will pay 5.3% of the cost of these contracts to LB Hackney (representing the relative size of the City resident population) and a further 0.3% administration and management fee. This strand covers more than 60 contracts and includes school nursing, children's weight management, vitamin supplements for pregnant women, HIV support services and all sexual health and mental health services. The total value of the contracts is £13 million and the CoLC contribution is £723,000. The only outstanding issue at the moment is the terms of the contract with the Homerton University Hospital Trust and a contingency sum is being retained to meet any additional costs that are under discussion

#### City only contracts

14. These one year contracts have been commissioned directly by Officers in Community and Children's Services. They are for specific services for city residents and/or workers that are not being delivered in the same way in, or at all in the London Borough of Hackney. They include drug and alcohol services managed by the City's Substance misuse partnership, smoking cessation services provided by Boots in the City, an exercise on referral programme for city residents between the Neaman Practice and two Tower Hamlets GPs and Golden Lane Sport and Fitness, health checks for City workers and the City Fair start programme run by Toynbee Hall providing physical activity health/obesity reduction services for Portsoken residents. This strand covers 8 contracts with a total value of £468,000. The biggest single payment is £264,000 to the substance misuse partnership.

#### Partnership contracts

15. These contracts are commissioned by the LB Hackney on behalf of the City of London in the same way as the Hackney lead contracts but the City pays more than 5.3% of the contract costs as it requires a higher proportion of the service to be delivered in the City. The only example of this at present is the level 2 smoking cessation service provided by Queen Mary's University which provides drop in clinics at various locations in the City and Hackney. The CoLC contribution to this contract is £18,000.

#### Total contract costs

16. The total cost to the City of commissioning public health services as set out above is £1,209,000 for 2013/14. In addition a contingency of £118,000 has been set aside to cover any variations (such as the Homerton set out in Paragraph 13) and any non contract spending liabilities that may emerge.

### **Public health and community and children's services staffing structures**

17. The City of London Corporation has taken a similar approach to the transfer of public health staff. We have worked in partnership with our neighbouring authorities to ensure that the key responsibilities are met by sharing rather than duplicating staff roles.
18. Eleven officers from the City and Hackney PCT public health team transferred to the LB Hackney on 14 January 2013. The team is based at the Hackney Service Centre and it continues to provide some support to the City. A formal SLA will be put in place later in the year when the amount of time spent on supporting the City has been agreed. One officer, who was already a joint

appointment between the City of London and the NHS became a full time officer of the City of London Corporation.

19. The CoLC, LB Hackney and LB Newham have agreed to seek a single Director of Public Health (DPH) who will take the lead for all statutory DPH responsibilities across the three localities. LB Tower Hamlets chose not to take part in this arrangement. A job description was agreed with the Faculty of Public Health and interviews took place in March 2013 attended by the Chairman of Community and Childrens Services and the Interim Director. No candidate was appointed, so pending the next round of interviews LB Hackney and the City of London Corporation have appointed Dr. Sohail Bhatti as the Interim Director of Public Health. Dr. Bhatti is working two days per week for the City so that he can also cover some of the public health consultant role set out below.
20. City and Hackney PCT previously employed two public health consultants who reported to the Director of Public Health. One of these public health consultants, Vicky Hobart, was shared between LB Hackney and the City of London Corporation. This arrangement worked very successfully and following Vicky's departure to become Director of Public Health in Redbridge and Waltham Forest LB Hackney and the City of London have agreed to continue to co-fund this shared post. The post will have the status of Assistant Director within the City of London Corporation and will carry out many of the duties of the Director of Public Health with regard to the City. Dr. Bhatti is undertaking this role on an interim basis.

#### Total staffing costs

21. The total staffing budget to employ a part time Director of Public Health, part time Public Health Consultant, two other officers with public health skills and experience in the Commissioning and Partnerships Division, agree an SLA with the London Borough of Hackney and make an allowance for specifically commissioned research on health intelligence and other related issues has been calculated as £200,000.
22. Added to the £1,327,000 budgeted for contract costs this makes a total of £1,527,000 which leaves a balance of just over £124,000 for 2013/14. This can be used to meet the priorities identified in the Joint Health and Wellbeing Strategy agreed by the Health and Wellbeing Board.

#### **Insurances**

23. The Department of Health will take on all public health liabilities of PCTs, however there is still an insurance risk relating to Clinical/Medical Negligence of ongoing contracts and activities. This is common across the Local Government sector where insurance companies have not developed an understanding of the changes of responsibilities. This is mitigated through our contract requirements for service providers, but will need to be addressed to cover all potential situations. The Local Government Association is pressing for a national solution to this issue on behalf of all local authorities.

### **Legal and Financial Implications**

24. The total allocation of contract and non-contract costs for public health identified above is within the level of grant allocated to the City for 2013/14 and 2014/15. There is no certainty around the level of funding likely to be received beyond 2014/15.

### **Corporate & Strategic Implications**

25. The contracting framework and staffing restructure support the following strategic aims and policy priorities:
- To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes
  - Seeking to maintain the quality of our public services whilst reducing our expenditure and improving our efficiency

### **Background Papers:**

None

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