# REPORT FOR: CABINET

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| **Date of Meeting:** | 13 December 2012 |
| **Subject:** | Shared Public Health Team – Inter Authority Agreement Principles |
| **Key Decision:** | Yes<br>[Financial and impacting across all Wards] |
| **Responsible Officer:** | Paul Najsarek, Corporate Director of Community, Health and Wellbeing |
| **Portfolio Holder:** | Councillor Margaret Davine, Portfolio Holder Adult Social Care, Health and Wellbeing, Deputy Leader |
| **Exempt:** | No |
| **Decision subject to Call-in:** | Yes |
| **Enclosures:** | Appendix A – Key Principles |

## Section 1 – Summary and Recommendations

This report sets out the current position in respect of the establishment of a shared public health team to support the London Boroughs of Harrow ('Harrow') and Barnet ('Barnet').

### Recommendations:

Cabinet is requested to:

1. Endorse the outlined principles for the Inter Authority Agreement
2. Authorise the Corporate Director of Community, Health and Wellbeing in consultation with the Portfolio Holder for Adult Social Care, Health and

Wellbeing to:

1. Agree the terms of and execute an Inter Authority Agreement which reflects the principles outlined in this report; and
2. Implement a Shared Public Health team in accordance with that Agreement.

**Reason:**

To allow the development of a resilient and cost effective public health service which can provide improved support to both Councils at a reduced cost and improved capacity.

# Section 2 – Report

## 1. Introductory paragraph

1.1. In June 2012 Harrow Council and Barnet Council approved the outline business case and agreed to the in principle development of a shared public health service.

1.2. The decision to pursue a shared Public Health Service reflects Barnet and Harrow Council's common position that it is vitally important to establish a centre of Public Health expertise with a sufficient critical mass of Public Health specialists. A combined specialist team will create the necessary capacity and skill mix to effectively manage the Local Authorities' new statutory public health responsibilities and provide the necessary leadership to place public health at the heart of Local Authority policy development, commissioning and service delivery. This will also enable us to focus resources on frontline services and minimise staffing expenditure.

1.3. The basis on which Harrow will exercise the delegation for the shared public health team will be captured and agreed in an Inter Authority Agreement. It is necessary to have a robust legal agreement to set out the Council's respective obligations and responsibilities. In this respect the arrangements will cover similar grounds to the shared legal agreement agreed by the two Council's this year.

1.4. The arrangement is based on co-operation between the two Councils for mutual benefit, recognising the shared aims of the two Councils to ensure high quality cost effective legal support – aims which they can achieve more readily by working together.

1.5. In order to maintain progress with the creation of a shared service arrangement with Barnet with effect from 1 April 2013, it may be necessary to enter arrangements that will require documents to be executed on behalf of the Council. To avoid delay or the need to call additional meetings of Cabinet it is proposed that the Corporate Director for Community Health and Wellbeing be authorised in consultation with the Portfolio Holder for Adult Social Care, Health and Wellbeing to agree the terms of the Inter Authority Agreement.

1.6. Finalising the detail of the agreement for the shared public health team is subject to the announcement of the public health ring fenced grants in December and the agreement of the public health commissioning intentions for Harrow Council and Barnet Council

**1.7. <u>Service Delivery Model</u>**

1.8. The shared public health team will be hosted by Harrow Council, with those Barnet staff from NHS Barnet that form part of the shared public health team transferring to Harrow Council and becoming Harrow employees.

1.9. The team will be led by the Joint Director of Public Health, Dr Andrew Howe who will be managed on a day-to-day basis by the Corporate Director of Community, Health and Wellbeing.

1.10 The public health team will be largely based at Harrow Council premises however there will be up to six health improvement leads based at the North London Business Park for approximately 80% of the time to provide support to Barnet GPs, officers and members.

## 2. Options considered

2.1. <u>Option 1 – Shared Borough Public Health Operating Model</u> that shares all or certain functions with another borough

Harrow and Barnet have a common ambition to place public health at the heart of local government policy, commissioning and service delivery, by establishing a leading edge public health leadership and service offer that has the capability and capacity to achieve this. The potential benefits of a shared public health leadership and operating model as a viable and enhanced alternative to a standalone model is recognised and is reflected in Harrow's and Barnet's respective public health transition plans.

The commitment between the two councils to work together is also clearly demonstrated in their active participation in the West London Alliance public health design group and commitment to invest in a shared public health contract management and procurement hub.

A shared model has increased scope to address public health issues and increase the capacity and capability of local authority public health

teams in the future. It also opens up other opportunities for developing additional value adding public health products and services and increases the scope to be able to meet any CCG requirements for an enhanced public health commissioning advice service proposition.

2.2. Option 2 – Standalone Borough Public Health Operating Model that supports the full range of public health functions delivered by a team of directly employed staff.

The existing local public health teams in Harrow and Barnet are relatively small compared with other teams in both the North West and North Central London areas. They are less likely to be able to effectively provide the full range and depth of public health coverage that will be required to support both existing and new public health requirements, in a borough based standalone structure. Staff retention, talent management and opportunities for professional development are also likely to be problematic in an isolated standalone function.

## 3. Inter Authority Agreement

3.1. A series of principles have been drafted and agreed with Barnet Council officers and will form the bulk of the final agreement. The completion of the agreement is subject to the announcement of the public health ring fenced grant in December and the agreement of the public health commissioning intentions for Harrow Council and Barnet Council within the grant funding available.

3.2. The agreement will be set for an initial term of 5 years but either party will have the ability to apply a no fault break. A 12 month notice period will be required.

3.3. The shared public health team will need to maintain transparency on the spend of the ring fenced grants. Therefore the annual commissioning intentions and associated budget will be developed and agreed separately for each borough. It will be important however that the opportunity for efficiencies through joint work is captured during this process.

3.4. The principles of the agreement outline the split of costs between Barnet and Harrow. The costs fairly represent and take into account the differences in population sizes and values of services between each borough. This equates to Harrow contributing, on average 40% towards the costs of the public health commissioning team and Barnet 60%.

- If the staff provide a dedicated service to one borough, 100% of the staffing costs will be met by that borough
- If staff provides a shared function the staff costs will be split 50/50 e.g. Knowledge and Intelligence and Business Support.
- The Commissioning Teams will be split 60/40 based on value of current services and population size of each borough

3.5. The shared public health team will be governed by a newly created Governance Board, which will be convened quarterly. The Board will be chaired by the non host portfolio holder with the key purpose of monitoring the performance of the shared public health team, signing off the annual commissioning intentions including the service budgets and overhead costs. The Board will also play a role in reviewing any contractual issues, which may arise during the term. Final sign off of key documents such as the Inter Authority Agreement and Commissioning Intentions will be made through the individual Council decision making processes.

3.6. Overhead costs will be calculated annually and included as part of the commissioning intentions for approval by the Governance Board. The overhead costs will be split 50/50 between the two boroughs. It is anticipated that Barnet Council's contribution will be approximately £75,000 although we are still identifying costs associated with the service which can appropriately be charged to the ring fenced grant.

3.7. Any overspend or underspend will be allocated to the relevant Public Health grant however if the underspend or overspend is within the shared function, this will be split 50/50.

3.8. A significant amount of the ring-fenced funding that will transfer to Harrow Council and Barnet Council is committed in the form of public health contracts with providers. Work is underway with the NHS to screen each contract to determine the most appropriate destination and to assess the financial implications and contractual commitments. The Shift phase will complete the operational and legal transfer of contracting responsibilities from current to future contracting authorities. It will be the responsibility of current contracting authorities to prepare the handover packs of paper and electronic documentation and archives for Harrow and Barnet Council. Harrow and Barnet Council will be responsible to secure the management arrangements to enable them to receive the handover packs and assume responsibilities for contract management.

3.9. To ensure the liability of the contracts is transparent, each borough will be accountable for their borough's public health contracts. However to ensure any opportunities from collaborating contracts is realised the monitoring and procurement of the contracts will be undertaken by the shared public health team with the support of the host borough. The Harrow public health contract liabilities will be presented to Cabinet early in the New Year.

## Legal Implications

This proposed arrangement builds on the existing inter-authority relationship relating to legal services which is available under current legislation. The relationships and responsibilities of both Councils are governed by the Inter Authority Agreement. Both Councils are able to terminate the relationship on giving notice but must discharge their liabilities, under the Agreement, to the other Authority.

## Financial Implications

The ring-fenced allocations that local authorities will receive in 2013/14 to fund their new public health responsibilities are expected to be announced on the 19th December 2012. Local authorities are being advised by the Department of Health that public health budgets will not be less than actual 2012/13 funding levels. Until the confirmed allocations have been received by Government it is difficult to finalise the 2013/14 shared public health service and Inter Authority Agreement and fully quantify the impact of these proposals. The shared approach to the provision of Public Heath services within Barnet and Harrow is expected to mitigate the potential impact of lower levels of grant and enable service provision to be maintained and improved over time.

The anticipated ring fence grant across the shared service is expected to be in the region of £19.6 million. Of this the current staffing costs across the individual public health teams for Harrow and Barnet are estimated to be in the region of £2.5 million.

The model and associated structure aim to deliver a robust, comprehensive and specialist public health service that is more cost effective and efficient than the current two separate teams. The structure is anticipated to achieve a reduction in staffing budget and overhead costs in the region of 15%, although this has yet to be confirmed. This is largely through the removal of vacant positions, the sharing of the Director of Public Health and reduced overhead costs. An actual cost of the structure will not be available until the matching process has been completed by North West London and North Central London Clusters.

Work is ongoing to consolidate existing public health contracts across the shared service but also within existing council contracts. It is expected that this will also contribute towards efficiencies, particularly in the longer term.

## Performance Issues

As the Public Health function is integrated into the Council the requirement to deliver the Public Health Outcomes Framework (final version yet to be published) will be fully integrated into the Council's existing performance management framework. Although the Council is not yet accountable for delivery of this function it is already reviewing the performance data through the Improvement Boards and will continue to do so for the remainder of the year, in order that this will support synergies with other Council services early rather than waiting until the 1st April 2014.

Once the final outcomes framework is published this will be integrated with the existing work to ensure that system and data access will be fully up and running on the 1st April. The existing framework can be found at www.dh.gov.uk

## Environmental Impact

The majority of staff will be based in Harrow council premises. This will mean that energy and carbon costs will be largely borne by Harrow. (unless this can be recharged through the overhead).

The new shared public health team will seek to minimise its environmental impact by implementing agile working practices, cutting down on the need for journeys to and from work. The shared public health team will be involved in the initial mobile and flexible working pilot.

## Risk Management Implications

A full risk register has been maintained throughout this project.

Risks identified include:

- IT and data transfer issues as files are moved to Harrow and ongoing connection to NHS data
- Failure to integrate Public Health with established Council processes
- Lack of co-ordination on governance arrangements for the shared service
- Insufficient funding to cover the cost of transition
- Lack of timely information from DoH around key requirements, in particular the staff transfer

## Equalities implications

An Equality Impact Assessment was carried out on the shared public health target operating model. The focus of the assessment was on the process of change needed in developing a Target Operating Model to establish transfer of public health services and functions to Barnet and Harrow Councils. The intention of the transfer is to ensure the delivery of statutory Public Health responsibilities to improve wherever possible the public health and wellbeing of residents in both boroughs.

The new shared public health function will not have any adverse impacts on any group.

## Corporate Priorities

The report incorporates the following corporate priorities:

- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.

## Section 3 - Statutory Officer Clearance

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| Name: Donna Edwards<br><br>Date: 16 November 2012 | X | on behalf of the Chief Financial Officer |
| Name: George Curran<br><br>Date: 20 November 2012 | X | on behalf of the Monitoring Officer |

## Section 4 – Performance Officer Clearance

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|---|---|---|
| Name: Martin Randall<br><br>Date: 21 November 2012 | X | on behalf of the Divisional Director Strategic Commissioning |

## Section 5 – Environmental Impact Officer Clearance

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|---|---|---|
| Name: Andrew Baker<br><br>Date: 21 November 2012 | X | on behalf of the Divisional Director (Environmental Services) |

## Section 6 - Contact Details and Background Papers

**Contact:** Trina Thompson, Senior Policy Officer, 0208 4209324

**Background Papers:** None

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| **Call-In Waived by the Chairman of Overview and Scrutiny Committee** | **NOT APPLICABLE**<br><br>*[Call in applies]* |

## Appendix A - Key Principles

*General*

1. The agreement will be for 5 years but either party may give notice of an intention for it to be extended

2. The Corporate Director Community, Health and Wellbeing (Harrow Council) will be the contact for the host borough, supported by a relationship manager to deal with any contract issues that can't be resolved by the Director of Public Health

*Performance*

3. Barnet Council to establish at least every two years through its Health Overview and Scrutiny Committee a Task and Finish Group involving elected members to scrutinise the performance of the Joint Public Health service which will be reported to Barnet's Health Overview and Scrutiny Committee.

4. The Public Health Governance Board will be chaired by the non host Portfolio Holder

5. The Public Health Governance Board will meet at least twice a year timetabled to correspond with the Boroughs annual budget setting and prioritisation of services.

6. The Public Health Governance Board will review the performance of the shared public health team initially at a quarterly period during the first year of the agreement. Performance reports will include:

    a. Barnet Public Health programme performance
    b. Harrow Public Health programme performance
    c. Contract performance of the shared public health service e.g. staffing and overhead costs

7. A risk register for the shared service will be developed which will be split into:

    a. risks specific to Barnet public health outcomes
    b. risks specific to Harrow public health outcomes
    c. Shared service risks

8. The shared public health service will identify a risk champion who will report corporate and operational risks to the Barnet and Harrow Council's risk management boards or equivalent.

9. Separate annual returns will be submitted for the Harrow and Barnet public health ring fenced budgets. The returns will be signed by their respective Section 151 officers.

10. *Commissioning Intentions*

11. The shared public health team will work with each Council to determine and specify the Public Health Services to be provided for that year taking account of the Public Health Outcomes Framework, guidance issued by the Department of Health, the Joint Strategic Needs Assessment for the area and population and the Joint Health and Wellbeing Strategy

12. The public health services provided must cost no more than the allocated funding for each Borough unless a borough agrees to make additional contributions above the ring fenced grant allocation.

13. The Commissioning Intentions for the shared public health service will be split into Barnet and Harrow to ensure transparency of each boroughs public health budget. The commissioning intentions will be broken down into the following two areas :

    a. mandatory services
    b. additional services

14. The annual Commissioning Intentions document for each borough will include the performance outcomes and targets expected to be achieved.

15. The draft Barnet Commissioning Intentions paper will be submitted to the host borough to negotiate the level of delivery that is achievable within the available budget and associated support costs (non contract costs)

16. Based on Barnet's draft Commissioning Intentions the host borough will calculate the cost of hosting the service annually.

17. The Inter Authority Agreement Financial appendix will include a breakdown of staff costs, contract costs and overhead costs.

*Finance*

18. The host borough will not make a profit from hosting the shared service

19. Barnet will make a fair contribution to the support service costs of the shared service. It is proposed that the overhead costs relating to the shared public health service are split 50/50.

20. It is proposed that the split of staffing costs within the shared service will be based on:

    a. If the staff provide a dedicated service to one borough, 100% of the staffing costs will be met by that borough
    b. If staff provides a shared function the staff costs will be split 50/50 e.g. Knowledge and Intelligence and Business Support.
    c. The Commissioning Teams will be split 60/40 based on value of current services and population size of each borough

21. A schedule of the split of staffing costs is to be prepared annually and agreed by the Public Health Governance Board. Final sign off of key documents will be made through the individual Council decision making processes.

22. The payment of the public health grant (or otherwise agreed amount to fund the service) to the host borough will be paid quarterly in advance

23. Any underspend or overspend will be allocated to the relevant Public Health grant and will be reported accordingly with the relating grant conditions

24. If an underspend or overspend is within a shared function, the overspend or underspend will be split 50/50.

25. Any one off grants (revenue or capital) will be managed within the specific grant conditions and host financial regulations.

*Contracts*

26. Barnet Council will hold the contract schedule for Barnet public health contracts and will hold the liability for these contracts.

27. Barnet Council to delegate authority to the host borough for the monitoring and financial arrangements of the public health contracts.

28. Financial liability for over performing contract values to be met by the relevant borough.

29. The Director of Public Health to alert any cost pressure identified for non capped contracts to the Corporate Director of Community, Health and Wellbeing (Harrow Council) and the Director of People (Barnet Council).

*Staffing*

30. Staff to be employed by Harrow Council

31. Staff costs for the shared public health service will be split based on the annually agreed schedule of staffing costs. These cannot be finalised until the job matching and assimilation exercises have been completed.

**Schedule of the Split for Costings of Staff**

| | **Barnet %** | **Harrow %** |
|---|---|---|
| Director Public Health | 50 | 50 |
| *Business Management* | 50 | 50 |
| *Intelligence* | 50 | 50 |

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|---|---|---|
| *Commissioning LA/ CCB Support Barnet* | 100 | |
| *Commissioning LA/ CCB Support Harrow* | | 100 |
| *Commissioning Services* | 60 | 40 |
| Smoking cessation practitioner | 0 | 100 |
| Smoking cessation practitioner | 0 | 100 |
| Service Co-ordinator | 0 | 100 |
| Health Trainers | 0 | 100 |
| *Specialist Advice Children's* | 60 | 40 |

32. Those Public Health staff with identified Borough roles should spend the majority of their time working in the Borough for which they have specific responsibilities.

33. The Director of Public Health to be allowed the flexibility to utilise staff within the shared public health to ensure delivery of the agreed performance.

34. The Director of Public Health to spend half of his time physically at London Borough of Barnet offices

35. Any changes to the staffing structure during the term of the agreement will need to be discussed and approved by both Harrow and Barnet Council.

36. Barnet Council to be consulted on any changes to Terms and Conditions of the shared public health team

37. Barnet Council to be consulted on any salary review for the Director of Public Health

*Redundancy*

38. Redundancy costs for the Director of Public Health will be shared 50/50

39. Redundancy costs for the shared public health staff (except for the DPH) will be split based on the annually agreed schedule of staffing costs

*Staff Terms and conditions*

40. Public Health staff will transfer on the terms and conditions for Agenda for Change and any local terms and conditions for North Central London and North West London cluster at the point of transfer

41. The Director of Public Health will be transferred to Harrow Council on his NHS terms and conditions at the point of transfer

*Performance Management of DPH*

42. The DPH will be managed by Harrow Council's Corporate Director, Community Health and Wellbeing and is answerable to the terms of employment for Harrow Council

43. Harrow Council will lead on the performance management of the DPH and will liaise with Barnet for their views and setting of objectives and targets as part of the appraisal process

*Pension*

44. Costs arising from Public Health staff who transfer to the local authority and choose to opt onto the NHS pension after 1st April will be shared based on the annually agreed staffing cost schedule.

45. Harrow Council and Barnet Council will only contribute towards pension costs attributed to the finalised staffing structure incurred post 1st April 2013 and will not be responsible for any deficit pension costs.

*Additional staffing costs*

46. Additional costs over and above the structure costs such as cover for long term sickness will be shared based on the annually agreed staffing cost schedule.

*Exit Arrangements*

47. TUPE provisions will apply for staff from the shared public health team transferring to Barnet Council as a result of the termination of the shared public health team.

48. TUPE costs to be split based on the annually agreed schedule of staffing costs

49. Any non related staff costs that are associated with the transition to two separate public health teams to be split 50/50

50. Any resultant redundancies at the end of the contract to be split based on the annually agreed schedule of staffing costs.

51. Barnet Council and Harrow Council to offer redeployment options for staff from the shared public health service

52. Either party may, at any time, give to the other written notice of not less than 1 financial year to terminate the Agreement. If such notice is given then the arrangements for termination within the Agreement shall apply. This brings into effect the arrangements that would apply in the

event of any termination and this will ensure an orderly end of the arrangement and the transfer of services and staff to Barnet.