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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	15 June 2017
<b>Subject:</b>	Reorganisation of the Public Health Service
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Chris Spencer, Corporate Director of People
<b>Portfolio Holder:</b>	Councillor Varsha Parmar, Portfolio Holder for Public Health, Equality and Community Safety
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1 EQIA Appendix 2 Impact on service delivery Appendix 3 Stakeholder Consultation

## **Section 1 – Summary and Recommendations**

This report sets out the requirement to reorganise the Public Health Service for Harrow and the parameters to be used for the design of the new service structure.

It also considers the options for the future Public Health Service in Harrow and seeks permission to approach any potential partners to develop a new

Joint Public Health Service Inter Authority Agreement in the future.

This report notes the expiry of the Joint Public Health Service Inter Authority Agreement with Barnet Council and the disaggregation requirements arising.

**Recommendations:**

Cabinet is requested to:

1. Agree to the reorganisation of the Public Health Service for Harrow.
2. Agree to delegate authority to the Corporate Director People Services following consultation with the Portfolio Holder for Health, Equality and Community Safety to implement the reorganisation of the Public Health Service for Harrow.
3. Agree to delegate authority to the Corporate Director People Services following consultation with the Portfolio Holder for Health, Equality and Community Safety to explore whether there are any other councils that wish to enter into a Joint Public Health Inter Authority Agreement with Harrow Council.
4. Note the work to be undertaken to disaggregate the current joint Public Health Service and transfer the relevant Public Health staff to Barnet Council in accordance with TUPE Regulations, along with relevant staff records and business records.

**Reason: (For recommendations)**

The reorganisation of the Public Health Service in Harrow is necessary in order to ensure the efficient and sustainable delivery of statutory services to the communities of Harrow to deliver the planned Medium Term Financial Strategy (MTFS) savings. The savings in the Public Health Service will be used to fund spending on the wider determinants of health by the Council.

## **Section 2 – Report**

### **Introductory paragraph**

1. The reorganisation of the Public Health Service will enable the Council to implement the proposals within the MTFS to deploy a part of the Public Health grant currently supporting the Harrow Public Health staffing budget to financially support the wider determinants of health work undertaken by the Council. This proposal was outlined in the MTFS 2016/17 to 2019/20 report to Cabinet in February 2016 - in Appendix 1a: Proposed Savings of the Final Revenue Budget 2016/17.
2. The decision to implement the reorganisation of Public Health staff is sought at this point in time in order to implement the changes in a timely manner and to deliver the savings for the commencement of the financial year 2018-19.

3. The current Joint Public Health Service Inter Authority Agreement (IAA) with Barnet Council expires on 31<sup>st</sup> March 2018. Barnet Council has decided not to renew the agreement. Following on from the expiration of the IAA service it will be necessary to disaggregate the Service which includes the transfer of relevant staff, their personnel records and relevant business records and information to Barnet Council.

### **Options considered**

4. Do nothing. That is, maintain the existing Public Health staff budget levels. This option would not meet the requirements of the current MTFS and potentially affects the financial viability of other Council services. This option is not recommended.
5. Transfer that portion of the Public Health staff budget identified within the MTFS to the Councils' general fund to support wider determinants of health work in other parts of the Council. This option is recommended.

### **Background**

6. As part of the MTFS the Harrow element of the staffing budget will reduce and be used to fund wider determinants of health work within the Council. The Public Health budget supporting discretionary health improvement work has been transferred incrementally over previous financial years to the general fund.
7. The five year fixed term Inter Authority Agreement (IAA) between Barnet and Harrow Councils ceases on 31<sup>st</sup> March 2018. Barnet Council have taken the decision not to renew the agreement. This will necessitate a disaggregation of the joint service and the transfer of relevant staff and records to Barnet Council as per the terms of the IAA. This is a separate matter to the reduction of the staff group in Harrow but will be managed simultaneously.

### **Current situation**

8. A Project Board has been established, chaired by the Corporate Director, People Services, to manage and coordinate the Harrow aspect of the IAA disaggregation and to take forward the reorganisation of the Harrow Public Health Service.
9. Barnet Council has established a Project Board to oversee the transfer of staff and information. The Barnet Council Project Board includes relevant senior officers from Harrow Council. The overall progress of the disaggregation will be monitored by the Joint Public Health Service Governance Board which is comprised of senior officers from Barnet and Harrow Councils.

## **Why a change is needed**

10. The Council's overall financial position requires a change in the focus of Public Health activity. The year on year incremental transfer of Public Health budgets supporting health improvement to the Councils' general fund means there is a reduced staffing requirement to undertake health promotion work.
11. Public Health mandated services will be maintained. Mandated services are listed in the legal section below. Resources currently aligned to specific discretionary public health outcomes will be redeployed to enable support for wider determinants of health provision by the Council.
12. In addition to the above, Barnet Council has made a decision not to renew the Public Health Inter Authority Agreement (IAA). This requires the disaggregation of the service as per the terms of the IAA.

## **Implications of the Recommendation**

13. The proposed change will result in the Public Health Service focussed almost exclusively on the delivery of mandated public health services apart from the continuance of the Substance Misuse service (drug and alcohol).
14. The new service and staffing structure will be designed to meet the mandated statutory responsibilities for public health services as set out in section 12 of the Health and Social Care Act 2012 ('2012 Act'). Pursuant to section 73A of the NHS Act 2006 (inserted by section 30 of the 2012 Act) a Director of Public Health must be appointed jointly by the local authority and the Secretary of State (in practice Public Health England), although their subsequent employment relationship is with the Council exclusively. In addition to a Director of Public Health the appointment of a senior post is required to support Harrow Clinical Commissioning Group. A commissioning function is also required to manage the delivery of mandated services - Health Visiting, weighing and measuring of children (School Nursing), Sexual Health and Health Checks that are commissioned externally.
15. Work to implement the proposal will be in the current financial year for implementation on 1<sup>st</sup> April 2018. A plan for delivery of the change including consultation and re-deployment and/or redundancy process will be developed accordingly.

### **Resources, costs**

16. A range of resources will be required to reorganise the Public Health Service and to manage the transfer of staff and records to Barnet Council. Principally these are: finance, human resources and IT services. In accordance with the IAA the cost of such resources will be shared between Harrow and Barnet.

17. Other officer time will also be required to manage the process together with specialist project management support.

### **Staffing/workforce**

18. The reorganisation will produce a significant reduction in the number of staff employed within the Public Health Service that directly supports Harrow Council. Currently these number approximately 17 full-time equivalent posts. The budget for the new service will fund approximately 5 full time equivalent posts.

19. The process will be managed under Harrow Council's Protocol for Managing Organisational Change. Displaced staff will be subject to the Councils redeployment and/or redundancy processes.

### **Performance Issues**

20. The reduction in staffing numbers in conjunction with the removal of health improvement budgets will impact on delivery of most discretionary areas of the health improvement agenda. The main impact of the combined reduction in staff and the health improvement budget will be on the Health and Wellbeing strategy and its implementation.

21. It will also impact on Harrow Council Ambition plan in the following areas:

- a. Protect the most vulnerable and Support Families: no support for physical activity initiatives and negative impact on reducing Life expectancy differences.
- b. Making a difference for communities: no support for Health Workplace initiative, Mental Health first aider initiative and the Winter Well programme
- c. Making a difference for local business: no support for the implementation of the London Healthy Workplace Charter.

22. The proposal may also impact on the capacity to deliver certain statutory functions during any period when the service is not fully staffed either by virtue of vacancies or sickness absence. The range of impacts is set out in Appendix 2.

## **Risk Management Implications**

23. The risks associated with this proposal which may occur between now and 31<sup>st</sup> March 2018 – the 'transitional risks' – are:

- a. Business continuity of the Public Health Service may be affected if a number of staff leave the service prior to 31 March 2018. This will be mitigated by maintaining proactive communications

with staff on the process and timing of the change process. Temporary staff may be recruited if required to maintain delivery of mandated services;

- b. Business functioning and standard of service decreases because of reduced staff morale. The mitigation for this eventuality is to ensure Public Health senior managers consider this matter on a regular basis and support staff where such an issue is identified.

## **Legal Implications**

- 24. The Council's statutory responsibilities for public health services are set out in the NHS Public Health Functions Agreement (section 7A) of the NHS Act 2006, as amended by the Health and Social Care Act 2012. The Council receives an annual ring-fenced public health grant from the Department of Health. The condition of this grant is that it may only be used for the purposes of the public health functions of local authorities
- 25. The 2012 Act confers duties on local authorities to improve and protect public health and specifically to take such steps as it consider appropriate for improving and protecting the health of the people in the borough.
- 26. This duty is set out in Section 12 of the 2012 Act. The Act also distinguishes between mandated and discretionary functions.
- 27. Part 2 of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 provides a list of mandatory services to be provided by local authorities in exercising their Public Health functions.
- 28. The list is as follows:
  - Regulation 3 - weighing and measuring of certain children in their area including age and school type)
  - Regulation 4 and 5 – health checks for eligible people which must also provide information about dementia to older people
  - Regulation 6 provision of open access sexual health services
  - Regulation 7 provision of a public health advice service
  - Regulation 8 – The Director of Public Health will oversee and discharge the Council's health protection duties.
- 29. Alongside the mandated functions are a range of public health services, the commissioning of which are discretionary.
- 30. The Council must be satisfied that it is still able to fulfil the statutory mandated duties despite any change of service provision.
- 31. The proposals relating to the restructure will be subject to consultation with stakeholders and this is referred to in greater detail in Appendix 3.

It will also involve the transfer of staff from Harrow Council to Barnet Council in accordance with TUPE Regulations.

32. Whilst the Council is required to comply with its public health statutory duties, this does not preclude the public health expenditure from being put to different public health uses than is the case currently. It should also be noted that the Council has considerable scope to determine what actions it will take in pursuance of its general function.
33. The proposal to reduce the staff budget will impact on the general duty to improve health and wellbeing under Section 12 of the Health and Social Care Act 2012.
34. Additionally, reduction in support for promoting well-being will impact on the Harrow Health and Wellbeing Strategy 2016-20. This may be partially offset by work by other agencies in the Health and Wellbeing partnership. Some additional funding has already been gained from external sources to support some aspects of health promotion and such funding opportunities will be kept under review.

## **Financial Implications**

35. The annual Public Health grant for 2017/18 is £11.094m. In the current financial year this will fund:
  - a. £8.9m (80%) of commissioned spend (including £6.287m in relation to mandatory services for sexual health, health visiting, health checks and school nursing services)
  - b. £1.285m (12%) staffing and support costs
  - c. £0.909m (8%) funding wider determinants of health across the Council.
36. Since the transfer of the Public Health Services to the Council in April 2013 and April 2017 savings of £2.235m have been made within the service (to date largely through re-procurement of services) to mitigate grant reductions (£1.2m to date) and to assist in the wider financial challenges faced by the Council.
37. It should be noted that in February 2016 Cabinet, as part of the Medium Term Financial Strategy, approved further significant reductions (totalling £2.265m) to the Public Health Team and the services commissioned from April 2018.
38. These savings include the staffing reduction of £0.610m now proposed, a reduction of 65% in the cost of the Public Health Team compared with the staffing structure in April 2013 when the responsibility for Public Health transferred to local authorities from the Department of Health.

39. Any project costs and the cost of any redundancies associated with the reorganisation will be met through the specific public health reserve which totals approximately £1.1m at 31<sup>st</sup> March 2017. From April 2019, when the grant is expected to reduce to approx. £10.5m (subject to any further changes announced in relation to these being funded by business rates), this will fund: £6.9m (67%) of commissioned spend (including £6m in relation to mandatory services), £2.9m (27%) funding wider determinants of health across the Council and £0.65m (6%) staffing and support costs
40. Across the shared service, overhead costs of £404k are funded by the Barnet and Harrow grants.
41. The reorganisation of the Public Health Service in Harrow together with the transfer of relevant staff to Barnet will result in a significant reduction in staffing numbers (38 FTE down to approximately 5 FTE). This will also create a reduction in office accommodation, IT support including (SAP, Human Resources and transaction processing), following transfer of some of these functions to Barnet Council and reduced staff numbers in Harrow.
42. As a result the overhead charge will need to reduce to reflect the new service requirements, which in turn will result in a general fund pressure, at least in relation to the Barnet funding as it is assumed that any reduction in Harrow overheads would be offset by an increase in the wider determinants of health.
43. The Public Health grant is currently ring-fenced until March 2019, after which it is expected that the service will be funded by business rates. It is not clear what impact, if any, the changes to the funding will have on the level of available resource however the provision of statutory services will continue and will need to be funded by the Council.

## **Equalities implications / Public Sector Equality Duty**

Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it.

An initial Equalities Impact Assessment has been carried out for the proposal and is attached at Appendix 1.



### Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 5 May 2017		
Name: Sarah Inverary	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 5 May 2017		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>YES</b>
<b>EqIA cleared by:</b>	Johanna Morgan – DETG Chair, People Services Directorate

### Section 4 - Contact Details and Background Papers

**Contact:** Chris Spencer, Corporate Director, People Services  
[chris.spencer@harrow.gov.uk](mailto:chris.spencer@harrow.gov.uk)  
020 8424 1356

#### Background Papers:

Joint Public Health Service Harrow and Barnet Inter Authority Agreement

Final Revenue Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20

<http://moderngov:8080/documents/b20324/Supplemental%20Agenda%20Thursday%2018-Feb-2016%2018.30%20Cabinet.pdf?T=9>

**Call-In Waived by the  
Chair of Overview and  
Scrutiny Committee**

**NOT APPLICABLE**

*[Call-in applies]*