

REPORT FOR: HEALTH AND WELLBEING BOARD

Date of Meeting: 7 September 2017

Subject: **INFORMATION REPORT – Public Health Service Reorganisation**

Responsible Officer: Chris Spencer, Corporate Director
People Services

Exempt: No

Wards affected: All

Enclosures: Appendix 1- Impact of reorganisation of the Public Health Service

Appendix 2 - Proposed Harrow Structure

Section 1 – Summary

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.

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

FOR INFORMATION

Section 2 – Report

Introductory paragraph

1. The current Joint Public Health Service Inter Authority Agreement (IAA) with Barnet Council expires on 31st 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.
2. 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.
3. 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.

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 would also not address the need to restructure following the disaggregation of the service from Barnet Council. This option was 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 has been agreed.

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, largely through the procurement of mandated services.

7. The five year fixed term Inter Authority Agreement (IAA) between Barnet and Harrow Councils ceases on 31st 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.

Why a change is needed

1. 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.
2. 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.
3. 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

1. 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).
2. 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.
3. Work to implement the proposal will be in the current financial year for implementation on 1st April 2018. A plan for delivery of the change and re-deployment and/or redundancy process will be developed accordingly.

Resources, costs

4. 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.
5. Other officer time will also be required to manage the process together with specialist project management support.

Staffing/workforce

6. 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.
7. 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

8. 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.

Section 4 – Financial Implications

1. 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.
2. 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.
3. 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.

4. 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.
5. 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 31st 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
6. Across the shared service, overhead costs of £404k are funded by the Barnet and Harrow grants.
7. 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.
8. 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.
9. 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.

Section 5 - Equalities implications

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.

Section 6 – Council Priorities

Working Together to Make a Difference for Harrow

1. 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.
2. 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 1.

STATUTORY OFFICER CLEARANCE (Council and Joint Reports)

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 8.8.17		

Ward Councillors notified:	NO
-----------------------------------	-----------

Section 7 - Contact Details and Background Papers

Contact: Carol Yarde, Business Manager, Tel. 020 8420 9660

Background Papers: None

Appendix 1

Impact of reorganisation of the Public Health Service:

- No work on obesity, diet or physical activity with children and adults including post health check support & reducing excess weight in children
- No work on mental health promotion including for Council staff and no work on promoting and maintaining health allowing people to live longer independently in the community
- No work on diabetes and diabetes prevention
- No work on improving winter resilience to support vulnerable people
- No work to improve diet & healthy eating by increasing consumption of fruit & vegetables & reducing consumption of salt, sugar and fat particularly in Children
- No public health support for: troubled families, children with special educational needs & children looked after.
- No work with schools to facilitate them to improve the health and wellbeing of pupils – e.g. Healthy Schools London
- No work with partners inside and outside the Council on poverty reduction for families
- No work on improving joined-up working (pathway redesign) with partners for Female Genital Mutilation, Forced Marriage and Domestic Violence
- No work on discouraging people from smoking and helping those that do wish to stop.
- Significantly reduced ability to reduce the number of people drinking harmful and hazardous levels of alcohol
- Reduced commissioning support to Harrow Clinical Commissioning Group
- Significantly reduced or no support to other Council directorates

Appendix 2

Proposed Harrow Structure

