REPORT FOR: CABINET

Date of Meeting:	20 June 2012
Subject:	Implementation of the Health and Social Care Act
Key Decision:	No
Responsible Officer:	Paul Najsarek, Corporate Director Community, Health and Wellbeing
Portfolio Holder:	Councillor Margaret Davine, Portfolio Holder for Adult Social Care, Health and Well-Being
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	None

Section 1 – Summary and Recommendations

This paper provides an update on progress in Harrow against the following key areas:

- Transfer of Public Health
- Public Health Budget
- Development of the Health and Wellbeing Board
- Progress on the creation of a NWL Commissioning Support Service
- Establishment of Harrow's Clinical Commissioning Group
- Creation of Healthwatch

Recommendations:

Cabinet is requested to:

To note that the Council will continue to lobby for a fair and viable public health allocation

To endorse officers to continue discussion with the Clinical Commissioning Group and the North West London Commissioning Support Service on opportunities to establish a 'joint venture'

For Cabinet to receive a future report on any proposals to establish a joint venture with the North West London Commissioning Support Service.

For Cabinet to receive a future report on the proposed final arrangements of the Health and Wellbeing Board once guidance is received.

For Cabinet to receive a report on the proposed process for commissioning Healthwatch

Reason:

To progress the implementation of the Health and Social Care Act

Section 2 – Report

Introductory paragraph

The Health and Social Care Act received royal assent on the 27th March 2012 after 14 months of consideration. The Act creates a new role for local authorities in health from April 2013 in the following areas:

- They will have a duty to take steps to improve the health of people in their area
- To lead on the development of the joint strategic needs assessment through a Health and Wellbeing Board and ensure coherent and coordinated commissioning strategies
- To support local voice, and the exercise of patient choice and to commission local Healthwatch
- To promote joined up commissioning of local NHS services, social care and health improvement

Background

1 Transfer of Public Health

As of 1st April 2013 local authorities will have a new statutory duty to promote the health of their population, which means the Council will be required to have regard to the Public Health Outcomes Framework. Consideration and delivery against these high level outcomes will need to be considered as part of each of the Council's directorates service planning.

While local authorities will be largely free to determine their own priorities and services, they will be required to provide a small number of mandatory services such as:

- Sexual health
- NHS health checks
- National child measurement programme
- Providing public health advice to NHS Commissioners and
- Ensuring plans are in place to protect the health of the public).

Work is underway across London involving local government and the leaders of the public health community to plan for the managed transfer of public health into local government.

By October 2012 we expect to be working closely with the Public Health team and there may be the possibility to report performance and finance in shadow form to assist knowledge of all Harrow officers and members. Staff will not formally transfer whether under TUPE or statutory order until April 2013. Therefore the value of potentially transferring at an earlier date under a Section 75 agreement will need to be determined.

Shadow reporting during 2012-13 in relation to both performance and financial data will enable the Council to assess any underlying pressures that may be inherited as part of the transfer of service to the Council and to support lobbying in this respect.

The Council's constitution will need to be updated to reflect the new delegated responsibilities of becoming a public health authority. A report was taken to Council in May that included some of the proposed amendments to the constitution.

Public Health Transition Plan

Directorates of the Council and Public Health leads have been engaged in developing a public health transition plan. The plan is under constant review as further guidance is being developed by the Department of Health.

The project plan identifies Council and Public Health leads for the eight streams of work, who are responsible for identifying tasks and ensuring delivery of the plan.

A copy of Harrow's public health transition plan was submitted to NHS North West London on the 31st March 2012 for a Department of Health driven

review process and a governance 'Memorandum of Understanding was also developed, which sets out the principles of how the Council and NHS Harrow will work together over the transition year.

Key milestones for the public health transition include:

- Develop and agree a public health vision and operating model by 29th June 2012
- Agree arrangements of information requirements and governance by 28th September 2012
- Test arrangements of delivery of specific public health services by 1 October 2012
- Test emergency planning arrangements by 31 October 2012
- Transfer public health by 1 April 2013

Whilst the Council will be receiving a ring fenced budget for Public Health from April 2013, there is no provision in either the Council budget or in the form of a Department of Health Grant to fund the costs of supporting the transition. An assessment of the non-transition cost to date have been identified (£114,000) and a carry forward request sought as part of the finalisation of the 2011/12 accounts. On completion of the IT Capital specification, further discussions at the Health Integration Group, including funding considerations, will be required.

Two examples where we have currently identified transition costs include ITC where a N3 connection, computer equipment and a secure email system is required and a robust organisational development programme will also need to be put in place to support the integration of public health staff. This issue is not unique to Harrow. Officers are scoping a review to ascertain the potential one-off costs in this respect (which are being estimated at £250k to £300k), whilst PCT colleagues are looking to identify alternative methods of operation in an attempt to manage down these costs. The Council has asked NHS colleagues to consider helping with these transition costs, and given the uncertainty towards these costs, they have not been included in the transition funding sought as part of the year end processes.

Public Health Future Operating Model

Harrow Council's Chief Executive has been leading a piece of work with the Boroughs of the West London Alliance to explore the potential for sharing some public health functions. These included:

- A specific project on exploring a shared health improvement service procurement function for all six Boroughs. (£32,000 has been committed by each borough to progress the business case) and forms part of the carry forward request
- The potential for sharing a Director of Public Health and
- Sharing elements of specialist public health advice

The West London Alliance (WLA) councils of Barnet, Brent, Ealing, Harrow and Hounslow have agreed in principle that they should work to set up a joint procurement team within the WLA to support collaborative commissioning of public health services when public health responsibilities transfer to the councils in April 2013.

This decision is based on a high level business case commissioned by the boroughs and produced with the co operation and support of the West London Public Health teams over the last couple of months. The business case proposes that there are benefits to be realised through a procurement hub, which supports joint commissioning by public health teams. In terms of cost savings there is an indicative cash benefit of £7.3m over three years (8-9m over 4 years) commencing April 2013. This is as a result of improved process efficiencies and improved outcomes.

Approximately £64m of expenditure on contracted services is in scope for transferring to councils. This is delivered at present through 160 separate contracts. A majority of these contracts have an end date of the 31st March 2013 which the business case suggests indicates an urgency to address procurement arrangements during the transition year.

It is intended that a further report will be produced by the West London Alliance Public Health Procurement Transitions Panel in July 2012 to enable a final review of the business case with the intention of setting up a joint procurement hub by October 2012. This will enable the councils and public health professionals to tackle the procurement of services which start from April 2013.

A decision on the future operating model for public health is fundamental in shaping the transition of public health. A separate report on the proposed options is included as part of the June Cabinet agenda. It is important that the final decision on the operating model takes into account the final budget envelope.

2 Ringfenced Public Health Budget

Department of Health published its average baseline estimate spend for public health in February. This showed Harrow as receiving a below London average baseline with only five other boroughs receiving a lower baseline estimate.

The formula used for the baseline estimates are based on the historic spend on public health and based on 2010/11 data, which due to the historical financial deficit of Harrow Primary Care Trust, prior to 2009 and subsequently since, local budgets have been reduced to support the wider financial recovery, to the detriment of the Public Health function. There have been adjustments to this spend data based on formulaic assessments, some of which result in a greater reduction being made than the actual 10/11 spend data ie; termination of pregnancy baseline reduced by £915,000 which is 40% more than the actual spend in 2010/11 (£550,000). In addition since the spend data was submitted to the Department of Health, NHS Harrow have been instructed to deliver NHS Health Checks.

In it's calculations of the proposed funding allocations to Local Government the Department of Health has acknowledged that they have removed too much money from the provision of Termination of Pregnancies (a function that will be delivered by Clinical Commissioning Boards in the future). DH has agreed that they will rectify this error which will be in favour of Harrow Council and will close the expected funding gap.

The main issue that is driving the funding shortfall is the additional funding requirement for NHS Health Checks. This will be mandatory requirement for both local authority public health investment, which has been substantially underfunded in Harrow.

The Mayor has created a London Health Improvement Board, which will advise on pan London public health activity. This will be funded by a 3% top slice from local authority funding (and a potential further 3% subject to two thirds London Councils veto where the London Harrow Improvement Board judges that pan London work can add value).

Harrow's Shadow Health and Wellbeing Board met at the end of February and raised their concerns that the baseline estimates were not fair or viable. It was thereby agreed that the Board will lobby Government to try and achieve an improved allocation, which is expected to be announced in autumn 2012.

On the 13th March the Leaders of London Councils met and raised their concern about the public health funding to the Chief Executive of NHS London. Harrow has been put forward as a case study and London Councils have discussed Harrow's concerns with the Department of Health. .

Department of Health has now provided the opportunity for Boroughs to resubmit their reconciliations of 10/11 baseline budgets over the summer period. This provides Harrow with the opportunity to highlight the impact of undertaking Health Checks, which is an additional requirement.

3 Health and Wellbeing Board

The Health and Social Care Act states that a local authority must establish a Health and Wellbeing Board for its area. The primary duty of the statutory Health and Wellbeing Board is to promote integration between those arranging health and social care services. In particular it must provide advice, assistance and support to encourage partnership arrangements.

The Health and Wellbeing Board also has the power to:

- Encourage providers of health care to work closely with the Board; and
- Encourage providers of health, social care and health related services to work closely together

Health and Wellbeing Boards will also be responsible for preparing the statutory joint strategic needs assessment.

The Health and Social Care Act states that the membership of the Board should consist of the following:

- at least one councillor of the local authority
- the director of adult social services for the local authority
- the director of children's services for the local authority
- the director of public health for the local authority
- a representative of the Local Healthwatch organisation for the area of the local authority
- a representative of each relevant clinical commissioning group, and
- such other persons, or representatives of such other persons, as the local authority thinks appropriate

Good progress has been made in the establishment of Harrow's Shadow Health and Wellbeing Board and the Board has recently completed a series of learning and development events.

Over the last few months the Shadow Health and Wellbeing Board have agreed a series of short term priorities, which it has been focussing on. They include:

- Delivery of the Top Families pilot
- The continuation of Reablement to support frail elderly
- The investigation of the impact of worklessness on health and
- The successful implementation of the Integrated Care Pilot

NHS London is investing just under £2 million for the borough level costs of the outer NWL Integrated Care Pilot. Harrow has agreed to participate in the pilot based on this funding covering the associated costs and capacity to deliver the pilot.

The Shadow Health and Wellbeing Board also undertook a workshop in March to begin to develop priorities, based on three agreed criteria which were developed from the refreshed Joint Strategic Needs Assessment. Some of the emerging priorities are:

- Topics that affect more peoples wellbeing and/or quality of life
  - Improved Mental Health
  - Reduced fear of crime
- Topics that have long term impact
  - Parenting for Health
  - Reduced alcohol harm
  - Reduced pre diabetes conditions
- Topics that drive inequalities
  - Reduced Cardiovascular Disease
  - Decrease in Respiratory Disease
  - Reduced Worklessness

The criteria and priorities will inform the development of a draft Joint Health and Wellbeing Strategy by August 2012.

The Joint Health and Wellbeing Strategy (JHWS) will be a key strategic document for the borough and will direct the Clinical Commissioning Groups and the Council's commissioning intentions. The Clinical Commissioning Group also requires a Joint Strategic Needs Assessment and a Joint Health and Wellbeing Strategy for its authorisation purposes.

Discussion on the initial list of priorities will continue over the next two months to include consideration of wider influences such as national policy, targets, existing priorities and supporting evidence from needs assessments and the refreshed JSNA.

It is anticipated that a series of consultations on the priorities and development of the Joint Health and Wellbeing Strategy will take place during the summer/autumn period. This process will be supported by the completion of an engagement plan for the Health and Wellbeing Board, which is being developed.

4 Clinical Commissioning Group

From April 2013 Clinical Commissioning Groups, which are groups made up of GP's and other clinicians will be responsible for designing local health services in England. They will do this by commissioning or buying health and care services. Seven GP's have been elected to Harrow's Clinical Commissioning Group (CCG) and the group is continuing to develop and refine their thinking about their organisational form and requirements.

Harrow's CCG is working towards gaining authorisation by September 2012. This will allow it to take on some or all of the commissioning responsibilities for Harrow under its remit. If the CCG does not achieve authorisation the NHS Commissioning Board will take on the commissioning role for Harrow until such time that Harrow's CCG is ready.

The authorisation process will involve undertaking a 360 degree stakeholder survey and submitting the application to the NHS Commissioning Board. The CCG will require the Council and the Shadow Health and Wellbeing Board to comment on their authorisation before it is submitted to the NHS Commissioning Board.

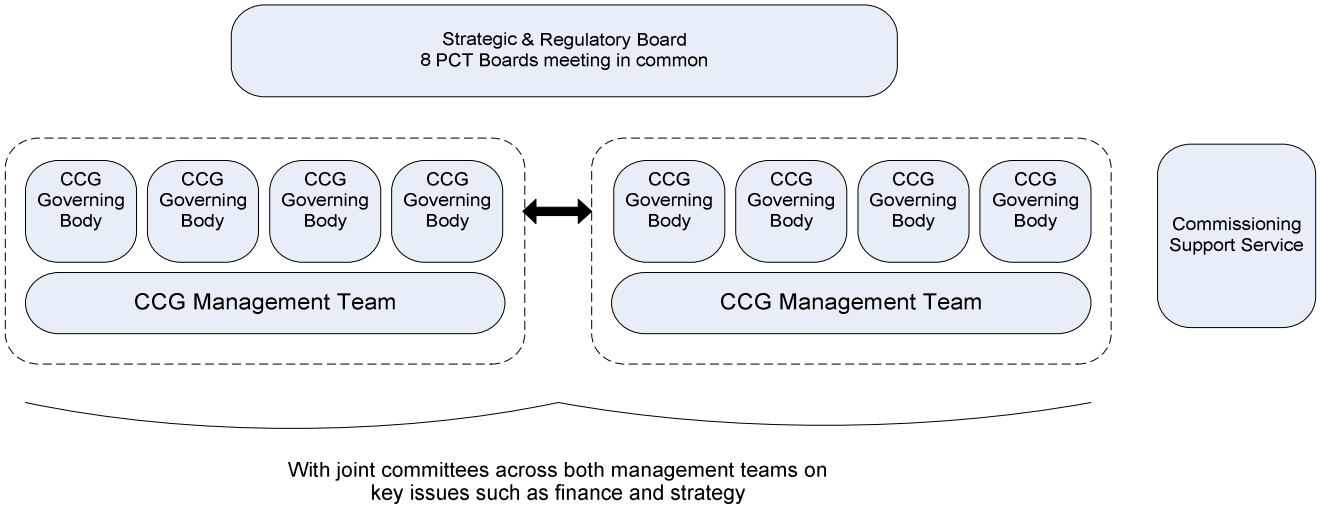
There are six key domains of the authorisation process that Harrow's CCG will need to provide evidence against:

- A strong clinical and multi professional focus which brings real added value
- Meaningful engagement with patients, carers and their communities
- Clear and credible plans which continue to deliver the QIPP challenge within financial resources, in line with national requirements (including outcomes) and local joint health and wellbeing strategies
- Proper constitutional and governance arrangements, with the capacity and capability to deliver all their duties and responsibilities, including

financial control, as well as effectively commission all the services for which they are responsible.
- Collaborative arrangements for commissioning with other clinical commissioning groups, local authorities and the NHS Commissioning Board as well as the appropriate external commissioning support
- Great leaders who individually and collectively can make a real difference

Across North West London there are 8 Clinical Commissioning Groups. These 8 groups have divided to create two CCG Management Teams which will support the work of the individual CCGs. Harrow, Ealing, Hillingdon and Brent CCGs are sharing a management team that will include key officers such as the Accountable Officer (similar to a CEO) and Director of Finance.

The Council is continuing dialogue with Harrow's CCG about developing joint working and identifying which commissioning support functions will remain local and which will be managed by the North West London Commissioning Support Service.



During transition, the shadow CCG Governing bodies and the Commissioning Support Service will become committees of a Strategic and Regulatory Board where all 8 PCT Boards meet in common. These meetings will replace the previous Brent and Harrow PCT Cluster Board meeting.

It is important that the Council continues to be represented in the new governance structure. Officers will continue to work with the CCG and PCT to ensure continued Councillor involvement.

5 Commissioning Support Service (CSS)

Over the last six months the NHS has been working to establish Commissioning Support Services to support Clinical Commissioning Groups. The Commissioning Support Service will be formed by existing Strategic Health Authorities and Primary Care Trust staff. The Commissioning Support Services are expected to become independent organisations by no later than 2016.

At the end of December the North West London Commissioning Support Service submitted their prospectus for one commissioning support organisation for North West London. The prospectus outlined the functions, services, governance and HR structures of the organisation and was focused on the following support functions:

End to end commissioning support

- Business intelligence
- Financial management
- Transformation and service design
- Provider management
- IT support service
- Governance
- Human Resources

Additional Services

- GP IT Support
- Registration Authority
- Individual Funding Requests
- Medicines Management

It is acknowledged that some commissioning is best done at higher levels e.g. acute services, however concerns have been expressed that doing commissioning at a 5-8 borough level would be a difficult way to achieve the objectives of local responsiveness to residents and ensuring the best use of local resources and expertise, which our local GPs share.

Discussions are continuing on areas where the Council and Harrow's CCG can collaborate on locally with the possibility of maintaining the commissioning of Strategic Planning and Service Design and possibly communications locally.

A North West London Commissioning Support Service Outline Business Plan has been developed, which sets out the proposals to form the North West London Commissioning Support Service from April 2013 and move into a freestanding status by April 2015 or sooner.

The North West London CSS are intending to grow their business beyond delivering services to CCGs and are exploring opportunities with three further customers including; the NHS Commissioning Board, London Scale Services and Local Authorities.

Five of the eight North West London Boroughs, which includes Harrow, have agreed to explore a joint venture to provide integrated commissioning support across health and social care. This could include a small number of areas where we will work together with our respective GPs in areas such as public and patient involvement, learning disability, mental health and some children's commissioning.

Service Level Agreements with the eight CCGs will be prepared and agreed in July for go live in October 2012.

6 Healthwatch

The NHS reforms proposed in the White Paper Equity and Excellence: Liberating the NHS set out the government's vision for the future of the NHS and its proposals for Healthwatch. It said that the NHS would "be genuinely centred on patients and carers" and "give citizens a greater say in how the NHS is run". One of the main ways the government intends to do this is by creating a new consumer champion – Healthwatch which is required to be commissioned by the Local Authority and in place by 1 April 2013.

Local authorities are required to commission Healthwatch organisations and they will have flexibility and choice over the organisational form. This means local authorities can determine the most appropriate way to meet the needs of their communities.

The key requirements are:

- Local Healthwatch organisations must be corporate bodies carrying out statutory functions
- they must be not-for-profit organisations

In order to consider options for the way forward, initial views were gathered from officers, residents, LINk members, the Voluntary and Community Sector. However the Health and Social Care Bill underwent a number of significant last minute changes before it became law. Therefore over the next few months' further work will be undertaken to explore the options and present these for discussion with members.

A further report will be taken to Cabinet during 2012/13.

7 Scrutiny

Scrutiny will continue to provide an independent cross party challenge and community leadership within the health sector. One key change that has arisen from the Health and Social Care Act is the extension of Local Authority Scrutiny powers to cover all NHS funded services.

A key principle for Scrutiny is to understand the roles of the various newly established health groups such as the NHS Commissioning Board, Healthwatch, Public Health England, Clinical Commissioning Group and the

Health and Wellbeing Board and establish an effective governance structure which safeguards accountability, whilst avoiding duplication.

Financial Implications

Harrow will receive a ring fenced budget for the delivery of Public Health in 2013/14. The current baseline estimate based on 2010/11 spend indicates a spend of £7.489m, although this will be uplifted to £7.862m for 2012/13.

The NHS Harrow budget for 2012/13 on public health services which are expected to transfer to the Council (from the 1st April 2013) is £8.261m. As noted above the public health ring fence budget allocation is likely to be less than this. If this is confirmed when the final allocation for 13/14 is announced (expected in the autumn 2012) then this would mean a worst case scenario shortfall in the region of £438k based on proposed commitments and DoH spending estimates. The development of a future model for public health and the delivery plan for 2012/13 will need to be considered within the budget envelope, however, the 2013/14 allocation is not expected to be announced until the end of November 2012, making it difficult to agree the outcomes and performance measures as part of the annual budget setting process.

As mentioned earlier in this report, there is no designated budget available to support the transition of public health to Harrow Council. A carry forward request has been sought as part of the finalisation of the 2011/12 accounts. On completion of the IT Capital specification, further discussions at the Health Integration Group, funding considerations, will be required.

There is increasing concern that the level of funding may not be sufficient to deliver services beyond statutory requirements. Ongoing lobbying is being undertaken by London Council's for the provision of a transition budget for 2012/13 and to consider the viability of the future Public Health ring fence budgets.

There is however, potential scope for procurement efficiencies to be delivered via the shared service model which subject to further decision, may assist in bridging the shortfall in funding in relation to public health. In advance of the shared procurement exercise, there may be more immediate benefits of bringing together public health contracts with existing Council contracts although it is not possible to quantify such benefits at this stage.

Performance Issues

The Council has recently reviewed its performance framework. The requirement to deliver the Public Health outcomes Framework will be integrated into these arrangements.

The development of the Joint Health and Wellbeing Strategy will also help to shape the future priorities and commissioning of Council services in the future.

From Q1 the Council will be monitoring the latest public health outcomes as part of its performance arrangements as this will help us get public health further up the agenda of the Council during the transition year rather than wait until its part of the Council.

Environmental Impact

There are no direct environmental impacts arising from these proposals. However, living in cold homes carries significant risks to health and there is a significant opportunity to improve health outcomes for residents by greater coordination between health and well-being and climate change policies. The introduction of the Green Deal in autumn 2012, provides an ideal opportunity for the development of a joint approach.

Risk Management Implications

As part of the Public Health Transition Plan a risk management workstream has been developed. This workstream will consider what additional risks there maybe to the Council as a result of becoming a public health authority.

Equalities implications

No. An Equality Impact Assessment will be undertaken as part of the development of the Public Health work plan and workstreams. An EQIA will also be undertaken as part of the development of the Joint Health and Wellbeing Strategy

Corporate Priorities

The changes in the health agenda will influence aspects of all of the Council's Corporate Priorities.

Section 3 - Statutory Officer Clearance

Name: Donna Edwards Date: 24 May 2012	X	on behalf of the Chief Financial Officer
Name: George Curran Date: 22 May 2012	X	on behalf of the Monitoring Officer

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap Date: 22 May 2012	X	Divisional Director Partnership, Development and Performance

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker Date: 18 May 2012	X	on behalf of the Divisional Director (Environmental Services)

Section 6 - Contact Details and Background Papers

Contact: Trina Thompson, Senior Policy Officer, 0208 420 9324

Background Papers: The Health and Social Care Act 2012

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