

# CHESHIRE EAST COUNCIL

## CABINET

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<b>Date of Meeting:</b>	2 April 2013
<b>Report of:</b>	Director of Children, Families and Adults Director of Public Health
<b>Subject/Title:</b>	Public Health Transition – Transfer of Assets and Liabilities
<b>Portfolio Holder:</b>	Councillor Janet Clowes Portfolio Holder for Health and Adult Social Care

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### 1.0 Report Summary

- 1.1 As part of the Powers within the Health and Social Care Act 2012, there is a transfer of Public Health Assets and Liabilities to Local Authorities. This is mandatory. The most significant elements are the staff and the service contracts. A Staff Transfer Scheme has been put into effect by the Secretary of State. Existing contracts have been rolled forward for twelve months to ensure Service continuity. Re-commissioning will commence during 2013-2014.

### 2.0 Decision Requested

- 2.1 That Cabinet note and acknowledge receipt of the assets and liabilities transferred to the Local Authority from the Primary Care Trust as a result of the Health and Social Care Act 2012.
- 2.2 That Cabinet note and acknowledge the rolling over and / or extension of inherited contracts for a one year period pending their re-commissioning in the new financial year.

### 3.0 Reasons for Recommendations

- 3.1 To ensure the Authority meets its new mandatory responsibilities under the health and Social Care Act 2012.
- 3.2 To ensure a smooth transition of Public Health into the Authority with no breakdown in service to the people of Cheshire East.
- 3.3 To ensure a stable local health economy is maintained through the transition period.

### 4.0 Wards Affected

All

## **5.0 Local Ward Members**

All

## **6.0 Policy Implications including**

- 6.1 Health: The Health and Social Care Act 2012 has introduced a number of significant changes that will affect the local health and social care landscape. This includes the establishment of the Cheshire East Health and Wellbeing Board, the GP Clinical Commissioning Groups and the transfer of the Public Health responsibilities from the PCT to the Local Authority. The Act gives the Authority a greater role in setting policy, providing leadership and commissioning activity that will contribute to improved health outcomes for the population of Cheshire East. The Joint Health and Wellbeing Strategy will be the mechanism by which the needs identified in the Joint Strategic Needs Assessment are met, setting out the agreed priorities for collective action by the key commissioners, the local authority, the Clinical Commissioning Groups and the NHS Commissioning Board.

## **7.0 Financial Implications**

- 7.1 The Council's Public Health funding allocation of £12.7 million was announced in January. This is a ring fenced grant from the Department of Health.
- 7.2 The contract extension negotiations have looked to reduce contract values where possible or sustain at current (2012-2013) levels. This ensures that the contract costs do not exceed the funding availability and that they achieve best value in relation to the extended contract and in anticipation of a re-commissioning exercise in 2013-2014.

## **8.0 Legal Implications**

- 8.1 The creation of Health and Wellbeing Boards under the Health and Social Care Act 2012 and transfer of the Public Health functions previously undertaken by Primary Care Trusts to Local Authorities from 1<sup>st</sup> April 2013 brings with it associated asset and liability transfers. The various assets and liabilities listed transfer to the Council by operation of the Act. Further legal advice is likely to be necessary on the detailed implications of the transfers, but for now, the Council is legally obliged to receive the assets transferred to it.

## **9.0 Risk Management**

- 9.1 The Public Health Transition Board and Public Health Transition Corporate Sub-group have been overseeing the preparations within the Authority for the transfer of Public Health responsibilities and functions from 1<sup>st</sup> April

2013. The risks associated with the Transition Process have been monitored through the Transition Plan.

9.2 The most significant risks associated with the transition are:

- A breakdown in Service provision if contracts are not re-tendered or extended before 1<sup>st</sup> April and therefore the potential that statutory services may not be able to be provided;
- A failure to have in place the appropriate contract paperwork to ensure the Authority is fully informed in relation to inherited liabilities and is not at risk of legal challenge;
- Pressure on the local health system as a result of current providers not being successful in retaining public health service contracts;

Other risks which were identified but have been mitigated to date are:

- The loss of skilled staff uncertain about their future or reluctant to transfer into the Authority from the NHS
- Less money within the Public Health funding allocation than is required to continue the existing contracted services

9.3 A particular concern has been that 'the any qualified provider' element of the NHS reforms poses the risk that current NHS providers will be unsuccessful in a retendering exercise. This could destabilise the local health economy and time needs to be given (through the contracts extension) to assess any impacts this may have. Recent national announcements have reduced the potential impact that this may have

## **10.0 Background and Options**

10.1 The transfer of Public Health functions and responsibilities to local authorities from 1<sup>st</sup> April 2013 brings with it a number of public health staff and a range of services delivered by a wide spectrum of providers. The majority of the assets and liabilities being received relate to the staff and the inherited service contracts. Appendix One is the formal Transfer Schedule identifying the assets and liabilities being received from the Central and Eastern Primary Care Trust that closed its doors on 31<sup>st</sup> March 2013. This listing remains subject to the agreement of the 'Sender Organisation', the Primary Care Trust Cluster. The Public Health Staff have been transferred into the Authority under nationally agreed arrangements.

10.2 The majority value of public health service contracts is with the two Acute Trusts and are a part of the 'Block Contracts' that the PCT negotiated with these two providers. To accommodate the changes to the system, a 'Collaborative Commissioning Agreement' has been drafted by the Department of Health to allow local authorities to join with Clinical Commissioning Groups to sign up to the NHS Standard Contract to allow the rolling over of these contracts into 2013-2014 as an interim measure to allow for service continuity. Service Level Agreements and / or Service Specifications are in place with the Providers to determine delivery

expectations and outcomes. These will be reviewed during the new financial year as part of the re-commissioning process.

- 10.3 There are a number of public health service contracts that are not commissioned through the 'Block Contracts'. These are with community providers, General Practices and community pharmacies. Arrangements have been put in place to roll these over into the new financial year.
- 10.4 This extension of contracts will also allow for services currently being commissioned and provided by the Authority within the Children, Families and Adults Directorate to be reviewed to ensure that any future Public Health contracts take these into account – avoiding duplication and joining up services where appropriate.

#### **11.0 Access to Information**

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