



## Integration of public health



The responsibility for public health transferred to local authorities on 1 April 2013. As part of that transfer process, local authorities inherited staff and contracts from the former primary care trusts.

The transferred contract value in Oldham was approximately £10 million with £3 million being spent on staffing and non-contractual items. The information on these contracts on transfer was, in a significant number of cases, either, out of date, incomplete or missing completely.

Fundamental controls around managing these contracts were unclear and external support capacity was lacking.

Responsibilities for contract and budget management were also unclear and there had been little in the way of induction and integration of the team to enable them to follow the council's governance processes.

### THE CHALLENGE

The council was facing severe financial reduction targets for the next three years and had set a target for achieving financial savings from all areas including public health. There was a perceived view that some of the public health contracts were not achieving value for money or delivering the required outcomes; although there was little evidence for this.

The challenges were to:

- ➔ Review all of the contractual arrangements for public health contracts and construct an action plan to address the issues raised.



- ➔ Review the contract monitoring arrangements and ensure implementation as soon as possible.
- ➔ Work with the Public Health Team to integrate them fully into the way the council operates and create an environment to promote better public health outcomes while complying with the council's governance procedures.
- ➔ Enter into negotiations with providers to identify opportunities for increased value for money and, where possible, deliver efficiency savings towards a target of £1 million.

- ➔ Develop a project plan whereby the council's new commissioning methodology could be applied to all areas of public health delivery and ensure a robust and thorough procurement process is conducted with specifications that will deliver the public health strategic vision.
- ➔ Review where existing local authority services have the potential to deliver wider public health outcomes and ensure those service areas work more closely together.





## About V4 Services Limited

We have worked in partnership with over 120 UK public sector organisations including: councils, NHS, social enterprises and trading bodies providing hands-on delivery support to set up new business structures, improve the efficiency of in-house services, encourage a commercial approach and generate savings and service improvements.



## THE SOLUTION

- ➔ A full review of all transferred contracts and service level agreements was undertaken and this highlighted a number of areas where these needed to be improved. New council terms and conditions (T&Cs) were drafted to replace the existing NHS ones. As contracts were renewed or retendered, the providers would move on to the new T&Cs.
- ➔ Detailed method statements and costings were requested from providers and interim 'mini' service re-designs were conducted to deliver some 'quick wins' in terms of efficiency and financial savings through sensitive and protracted negotiations.
- ➔ The Public Health Team were supported through an integration process that developed their skills in contract management, budget management, financial accountability and the council's procurement processes.
- ➔ A detailed project plan was prepared to conduct a full commissioning and procurement process during the next financial year.
- ➔ Existing council services that are delivering, or could be transformed to deliver wider public health outcomes more efficiently than current providers, were identified.



## THE BENEFITS

- ➔ Savings of £1.4 million (19%) were delivered through detailed contract negotiations with providers, which resulted in some poor performing services being decommissioned and others being redesigned to deliver better outcomes at less cost. As the public health grant is ring-fenced, savings from existing providers can fund council services that can take their place to deliver better outcomes.
- ➔ Devolved responsibility and accountability was given to the key members of the Public Health Teams for each service area.
- ➔ Back office support from Finance, the Commissioning Hub and Procurement was clarified to give a whole team approach to future commissioning and delivery of services.
- ➔ All contracts will, on renewal, be transferred onto council terms and conditions and have key clauses around transparency and robust performance measures.

“The public health contract review has been really successful, releasing around £1.4 million of cashable savings across a range of services. The V4 Services' team has done an excellent job of getting to the bottom of the contracts, supporting us to identify the waste and heading the negotiations and discussions with providers. I've been really impressed by the team's ability to roll up their sleeves and get stuck in and with the tenacity displayed in sometimes challenging situations. They have the full confidence of the Public Health Team.”

Maggie Kufeldt, Assistant Executive Director – Joint Commissioning, Oldham Council

