

HEALTH SCRUTINY COMMITTEE, 27 OCTOBER 2009
ADULTS & COMMUNITIES SCRUTINY COMMITTEE, 9 NOVEMBER 2009

REPORT OF THE CHIEF EXECUTIVE

LINKS WITH NHS STOCKPORT (STOCKPORT PRIMARY CARE TRUST)

1. Appointments Committee agreed at its meeting on 24 September to support in principle the idea of offering the position of Corporate Director, Adults to the Chief Executive of NHS Stockport (Richard Popplewell) as part of a new combined post. In order to assist it in taking the idea forward, Appointments Committee also resolved to consult the two scrutiny committees whose areas of work would be affected on the way in which the proposals should be implemented. The purpose of this report is therefore to seek any comments from the two scrutiny committees.

2. The relevant resolutions of Appointments Committee are as follows:
 - That the two elements of the Adults & Communities Directorate be permanently split, with the former part becoming a directorate in its own right (but with strengthened links to the PCT as set out in this report) and the latter part integrated into a Regeneration, Communities, & Environment Directorate.
 - The idea of offering the position of Corporate Director, Adults to the Chief Executive of NHS Stockport (Richard Popplewell) as part of a new combined post be supported in principle.
 - That the idea be pursued in detail with NHS Stockport and the individual concerned.
 - That the Adults and Health Scrutiny Committees be consulted on the way in which the proposals should be implemented.
 - That a further report be brought to this Committee before any commitment is entered into with NHS Stockport or Richard Popplewell.
 - That the current interim reporting arrangements for the adult social care service be extended in the meantime.

3. To assist the scrutiny committees, the following are appended as background:
 - Appendix 1: the report considered by Appointments Committee
 - Appendix 2: outline implementation plan and timescale
 - Appendix 3: information on Knowsley (PDF)
 - Appendix 4: information on Bath & NE Somerset

4. The committees' comments are invited.

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APPOINTMENTS COMMITTEE, 24 SEPTEMBER 2009

SENIOR LEADERSHIP ARRANGEMENTS

REPORT OF THE CHIEF EXECUTIVE

The story so far

1. At its meeting on 17 March, Appointments Committee agreed a set of interim senior leadership arrangements for an initial six months' period (expiring in September), to give the Council time to decide its preferred way forward.
 - Ged Lucas was to performance manage the three service directors in the Environment & Economy Directorate, in addition to continuing to performance manage the Service Director, Communities in the Adults & Communities Directorate (Carol Morrison).
 - Ged was not to continue to performance manage the Service Director, Adults (Terry Dafter). Instead, Terry was to be temporarily designated as the statutory Director of Adult Social Services, reporting direct to the Chief Executive.
 - Since the arrangements were to be only interim, with no intention of prejudging the future officer structure, the Adults & Communities Directorate was to continue in existence during the interim period.
2. Although interim arrangements can be helpful to allow time to explore options, it is rarely beneficial to keep them going for long, because of the negative effects on the organisation of the resulting uncertainty. There is therefore a strong case for reaching a decision on the way forward now, if possible.

Regeneration, communities, and environment

3. The Environment & Economy Directorate faces a number of challenges. It has been the first to be seriously affected by the recession, with considerable reductions in income. That has already begun to put pressure on staffing levels. Secondly, the dramatic decline in the property market has made regeneration considerably harder to deliver; and it may require a rethink (through the Local Development Framework) of some of the borough's planning policies. Thirdly, in common with other Council services, some hard choices will need to be made as public expenditure levels reduce in future years.
4. Over the past six months, Ged has shown that he is well fitted to tackle challenges such as this – something that should not come as a surprise, given his track record with the Council. In order to bring an end to the uncertainty, I believe his position should be made permanent with immediate effect, with the title of Corporate Director, Regeneration, Communities, & Environment.
5. Three aspects of the work he is performance managing deserve particular consideration.

Regeneration

6. A key question is: at what level should there be commercial / town centre regeneration expertise in the Council? Since Elaine McLean's departure, the most senior officer with major experience in town centre regeneration has been at head of service level. However able the individuals, there should surely be more senior expertise, given the priority attached to town centre regeneration, and the additional challenges that the recession has brought to regeneration.
7. On the other hand, I do not believe that the specialism needs to be at corporate director level. (Ged Lucas is experienced in regeneration, but predominantly in the housing field.) After all, the Committee has for the last few years increasingly appointed corporate directors for their leadership and general management skills; and the size of directorates means that corporate directors cannot possibly be equally experienced in all the professional areas they oversee. However, I do believe it would make sense to have town centre regeneration expertise at service director level, rather than no higher than head of service.
8. The present Service Director, Leisure & Regeneration (Norman Hudson) is more experienced in the leisure than regeneration aspects of the post. That arrangement worked well under a corporate director with town centre regeneration experience (Elaine), but leaves a gap now. He is 14 months away from being able to draw his pension as of right. His earlier retirement by mutual agreement would allow the Council to recruit a regeneration specialist at this level without delay, to ensure that the borough is as well positioned as possible when the property market picks up. Details of the cost to the Council appear in the confidential appendix to this report.

Deprivation and inequalities

9. The Stockport Strategy 2020 (the sustainable community strategy), the Council Plan, and the Local Area Agreement all have a particular emphasis on addressing inequalities – or, rather, on addressing people in deprived communities or otherwise disadvantaged. Community matters (social housing, neighbourhood renewal, and social inclusion) are the responsibility of the Communities part of the Adults & Communities Directorate; but – on an interim basis – the Service Director, Communities (Carol Morrison) continues to report to Ged Lucas, alongside the service directors in the Environment & Economy Directorate.
10. There is a lot to be said in favour of making that arrangement permanent, so that physical and economic regeneration (currently in the Environment & Economy Directorate) and neighbourhood renewal / social inclusion can be brought closer together, strengthening our focus on the deprivation agenda. (In fact, this was a topic raised by the Audit Commission in the 2005 corporate assessment. But structural changes were not made at that time because the Council had only just decided to put housing and social care in the same

directorate, to exploit synergies over matters such as the supporting people agenda.)

SEMMMS

11. Although no public capital project can be considered to be rock solid in the present climate, funding sources have at last been identified to allow the A555 dual carriageway to be extended west to Manchester Airport and east to the A6. Given the scale and priority of the project, it needs to be actively led at a very senior (service director) level. The amount of service director time involved is accelerating rapidly, with a view to gaining formal programme entry early in 2010, a start on site in 2012, and completion in 2015. It is expected that the role will become essentially full-time within about six months. The obvious person for the role is the current Service Director, Transportation & Planning (Jim McMahon); but he would be less and less able to undertake the planning and other transportation elements of his current job. I shall report at the meeting on matters concerning terms and conditions appropriate to the post.
12. Once programme entry stage is reached, Jim's salary can be charged to the project. If his other responsibilities were transferred to one or more other service directors, that would yield a saving to the Council's budget.

Revised service director responsibilities

13. The following regrouping of services is therefore proposed:
 - **Regeneration** (post to be advertised immediately) – town centre, other major developments, business development and economic regeneration, enterprise, training and skills, planning and housing policy, development control
 - **Communities** (Carol Morrison) – community safety, neighbourhood renewal, libraries, information and advice, Stockport Direct, parks, sports, arts, heritage, tourism, markets
 - **Environment** (Stuart Jackson) – environmental health, trading standards, sustainability, refuse collection, recycling, traffic management, transportation policy
 - **Major projects** (Jim McMahon) – SEMMMS, engineering consultancy.
13. It is also proposed that the lead role for the development of the strategic approach to customer services and management of the contact centre be transferred to the Business Services Directorate.

Regeneration, communities, and environment: the alternative

14. The alternative option for the areas of regeneration, communities, and environment would be to:
 - recruit a replacement for Elaine McLean

- return Ged Lucas to the position of Corporate Director, Adults & Communities.

15. This would, of course, mean that the Council would:

- forego the opportunity to bring closer together on a permanent basis the neighbourhood renewal / social inclusion functions currently in Communities and the regeneration functions in the Environment & Economy Directorate
- forego the opportunities spelled out in the following paragraphs.

Adult social services and health: progress since March

16. As foreshadowed in my report to the Committee in March, the Council and NHS Stockport (the Primary Care Trust or PCT) have now set up formal integrated commissioning arrangements for care and health (under what is known as a section 75 agreement). In addition, the Council has moved its adult social care provider services (such as home care) into a newly-created wholly-owned company; and possibilities remain for NHS Stockport to move its own provider services to the same company if it so decides, under joint ownership. Terry Dafter and a director from NHS Stockport (Gaynor Mullins) jointly lead the new commissioning arrangements, reporting jointly to both the Council and NHS Stockport.

17. The stage is set for even closer collaboration, if that is what the two organisations both wish.

Closer collaboration with NHS Stockport

18. The most straightforward step – but a radical one – would be to create a joint post at a very senior level. The idea is based on three premises. Firstly, that both Council and NHS Stockport will face challenging requirements to reduce expenditure, and that a closer integration would make it easier to deliver such reductions through a genuinely collaborative approach. Secondly, that even closer working together would lead to improved services for Stockport people. Thirdly, that a more joined-up focus on vulnerable people, social inclusion, and our priority neighbourhoods would be possible if the two organisations were more closely integrated.

19. A number of councils and PCTs have already pursued variations on this idea. In Knowsley, the Director of Adult Social Services assumed the role of Chief Executive of the PCT seven years ago. Herefordshire made a joint appointment of chief executive of both council and PCT; and, in the London Borough of Hammersmith & Fulham, the council chief executive has this year taken on the role of PCT chief executive as well. Liverpool has an assistant executive director who is the statutory Director of Adult Social Services and who also reports to the PCT (but at a lower level than chief executive). Other councils have jointly appointed directors of public health or other senior staff.

20. If Ged Lucas was not returning to the position of Corporate Director, Adults & Communities, there would be a vacancy at that level, providing the opportunity for the Chief Executive of NHS Stockport (Richard Popplewell) to

occupy a new combined post, bringing together the roles of Corporate Director, Adults (but not Communities) and PCT Chief Executive. It should be emphasised that this would not be two jobs for one person, but a new combined post with clear objectives to bring the two organisations closer together. Although Richard would be dually accountable, he would presumably remain an NHS employee in legal terms.

21. Terry Dafter would revert to the position of Service Director, Adults, but would retain permanently his currently interim designation as statutory Director of Adult Social Services. In that capacity, he would have a formal right of access to me as Council Chief Executive.
22. For the avoidance of any doubt, it should be noted that this proposal would not in any way alter the legal status of either organisation, their separate duties, and their separate finances. Over time, it is to be both expected and hoped that it would make easier the further aligning of expenditure, and even some flexibility between budgets (which has happened in Knowsley), to the benefit of the local community. But it would unrealistic to expect that to happen overnight.
23. Assuming that the Council's share of the costs of the joint post was approximately half the cost of a corporate director on our established pay scale, there would be a saving of roughly half a corporate director post – to add to the expected saving on the SEMMMS service director post mentioned earlier.
24. Far more significantly than that saving, tying the two organisations more closely together should usher in a new, deeper relationship, providing the circumstances in which further joint arrangements could be more comfortably contemplated, perhaps including deeper integration of and collaboration over service delivery, and the further sharing of support services – the sort of changes that will be needed if both organisations are to exploit genuinely innovative ways of delivering services at significantly reduced cost. So the clear purpose of the change would be both to improve services for the people of Stockport and also to deliver significant savings for both organisations at a time of expected severe expenditure constraints.
25. Closer collaboration should not be confined to adult services: the presence of the PCT's Chief Executive on the Council's Corporate Leadership Team should also help strengthen collaboration over children's services. There should also be opportunities (through the public health agenda) to pursue even closer integration of the two organisations' work on addressing deprivation and social inclusion.
26. The experience of Knowsley (which the Chair of NHS Stockport and I recently visited) is that significant service improvements (as judged by local people) and savings have indeed materialised. However, this is not a way forward for which quantified benefits can confidently be estimated in advance, or indeed guaranteed.
27. The Chair and Chief Executive of NHS Stockport have been consulted on this proposal, and are enthusiastic. Soundings have also been taken in confidence with the PCT Board, whose members are also supportive.

28. Clearly, this would be a major departure for the Council and NHS Stockport. It would require a mature set of relationships on all sides, since the postholder would be spanning two cultures, reporting to both an NHS board and a Council, and being a member of two management teams. But the gains could potentially be highly significant, especially if the experience of Knowsley is anything to go by.
29. If the Committee was in favour of the option in principle, considerable further work would be needed to develop the details. In the circumstances, and bearing in mind that the individual is currently on secondment to Hampshire PCT, April 2010 might be a realistic target date for implementation. Informal arrangements could be put in place earlier. The Committee might wish to consult the Adults and Health Scrutiny Committees on the way in which the proposals should be implemented.
30. For the avoidance of any doubt, this change in officer arrangements would not in any way lessen the importance of the Adults & Health executive portfolio. On the contrary, that Executive councillor would obviously have a pivotal position in the relationship with the joint postholder, and an even more crucial role than currently in managing overall relationships with the Chair and Board of NHS Stockport. Nor would the Council's statutory scrutiny powers in relation to the NHS be lessened in any way.

Adult social services and health: the alternatives

31. If the Committee did not favour the proposals concerning environment, economy, and communities, Ged Lucas would return to the position of Corporate Director, Adults & Communities, and the above way forward would not be available.
32. If the Committee **did** favour the proposals concerning regeneration, communities, and environment, but did **not** favour the proposals concerning adult social services and health, one option would be to continue with the current arrangements under which Terry Dafter reports direct to the Chief Executive and is a member of the Corporate Leadership Team. However, that would leave adult social services unrepresented at corporate director level.
33. In addition, that option would, of course, mean that the Council would forego the opportunity to seek the potential advantages spelled out in the foregoing paragraphs, although it would save the costs of a whole corporate director post rather than just half.

Consultations with trades unions

34. The trades unions have been consulted on the proposals in this report. Their written response will be circulated to members of the Committee as soon as it has been received.

Recommendations

35. As part of a package of proposals, it is recommended that:

- Ged Lucas be confirmed with immediate effect as Corporate Director, Regeneration, Communities, & Environment, on a permanent basis
- Norman Hudson be granted access to his pension a few months early, taking into account the eventual cost to the Council as set out in the confidential appendix to this report, from a date to be determined by the Chief Executive in consultation with the Chair of the Committee
- immediate steps be taken to recruit a Service Director, Regeneration, with substantial and relevant regeneration experience
- the two elements of the Adults & Communities Directorate be permanently split, with the former part becoming a directorate in its own right (but with strengthened links to the PCT as set out in this report) and the latter part integrated into a Regeneration, Communities, & Environment Directorate
- the revised broad service director areas of responsibility set out in this report be approved for detailed implementation by the Corporate Director in accordance with a timetable to be determined by him
- the idea of offering the position of Corporate Director, Adults to the Chief Executive of NHS Stockport (Richard Popplewell) as part of a new combined post be supported in principle
- the idea be pursued in detail with NHS Stockport and the individual concerned
- the Adults and Health Scrutiny Committees be consulted on the way in which the proposals should be implemented
- a further report be brought to this Committee before any commitment is entered into with NHS Stockport or Richard Popplewell
- the current interim reporting arrangements for the adult social care service be extended in the meantime.

36. Although the report itself (other than the appendix) is not confidential, it is suggested that it would be in the public interest to exclude the public during its discussion, since information relating to individuals is likely to be disclosed.

John Schultz
September 2009

Appendix 2

Links with NHS Stockport (Stockport PCT)
Delivering the Decision of Appointments Committee 24/09/2009
Outline Implementation Plan and Timescale

Following the decision of appointments committee on 24th September 2009 we need to both plan and manage the risks of implementing the decision. An implementation plan will allow us to be clear about who is doing what, by whom, when and how.

The following scopes the schedule for pre-implementation activities. It is a working document that can be continually updated to ensure all of the foundations are in place for an effective start date. It should be assumed that these are Council steps initially required prior to the full involvement and agreement of the PCT.

Task	Steps to implementation	Start Date	Deadline	Person/s responsible
<i>General Planning Stage</i>				
Produce broad statement of intent and rationale	Draft prepared Consultation with all parties	September 2009	Nov 2009	John Schultz
Produce a role description for the post holder, including management arrangements/personal development	Draft prepared Consultation with CLT; and PCT/Council HR Produce update PDR	October 2009	Nov 2009	Laureen Donnan
Produce role objectives	Draft prepared	October 2009	Nov 2009	John Schultz
Develop a risk assessment for the Council	Draft prepared Consultation with Council and PCT	October 2009	Nov 2009	Laureen Donnan & Terry Dafter
Agree appropriate governance arrangements for the role, to include risk management	Draft prepared, to include schedule for risk management Consultation with PCT and Council	November 2009	December 2010	Terry Dafter & Steve Houston & Barry Khan
Agree a procedure for conflict resolution	Draft prepared Consultation with HR	November 2009	December 2010	Terry Dafter & Barry Khan
Agree location of post and support required.	Identify Office and order facilities needed Appoint PA		By agreed start date in 2010	Laureen Donnan & Terry Dafter
<i>Legal and contractual issues</i>				
Produce draft legal agreement between PCT and Council including employment implications for the post holder	Produce draft agreement Consultation Signatures	October 2009	January 2010	Barry Khan
Produce a financial agreement	Produce draft agreement Consultation	November 2009	December 2009	Steve Houston & Barry Khan
Produce any required	Prepare contract for	December	January	Phil Badley

HR contract in accordance with the appropriate employment agreement; and any change in terms and conditions	signature (examination by Council & PCT as to whether any amendments/clarifications to the employment contract is required)	2009	2010	
<i>Communication</i>				
Produce a communication plan to welcome new post holder and outline plans	Draft initial press release Schedule written press in appropriate issues		By agreed start date in 2010	Janine Watson and PCT Comms
<i>Induction, Training and work programme planning at start date</i>				
Identify key relationships	Arrange intro meetings	January 2010	By agreed start date in 2010	John Schultz
Arrange induction programme	Arrange visits, briefing of H&S, environment policy	January 2010	By agreed start date in 2010	Laureen Donnan
Schedule mandatory briefings/training	D&I, ICT	January 2010	By agreed start date in 2010	Phil Badley

Bath & North East Somerset Council			
MEETING:	Council		
MEETING DATE:	14 th May 2009	AGENDA ITEM NUMBER	
TITLE:	Bath & North East Somerset Council & NHS (Primary Care Trust - PCT) Integration		
WARD:	ALL		
<u>AN OPEN PUBLIC ITEM</u>			
<u>List of attachments to this report:</u>			
Appendix 1 - Integration Project Report			
Appendix 2 - Safeguarding arrangements (including Annex)			
Appendix 3 - Audit Committee + Overview & Scrutiny - extracts from minutes			

1 THE ISSUE

1.1 The purpose of this report is to update the Council about progress made in integrating Council and Bath & North East Somerset Primary Care Trust services across the Adult, Children and Public Health agendas.

1.2 The detail is contained within Appendix 1 in the integration project report. This sets out the joint working arrangements already in place and highlights where changes are proposed.

1.3 The Corporate Audit Committee, Children & Young People and Healthier Communities and Older People Overview & Scrutiny Panels have also had the opportunity to comment. Their comments are set out in Appendix 3.

1.4 The Council's Audit Committee considered in detail the financial framework and joint working agreement. These documents are summarised in the integration project report. The PCT Audit Committee has also reviewed these documents. Both Committees were satisfied that the agreements addressed the key issues and were useful as a means of codifying existing arrangements and reducing existing service provision and financial risks.

1.5 Council has the responsibility for agreeing the principles as set out in the integration project report that relate to the financial framework joint working agreement insofar as it relates to the policies it is responsible for and the role of Director of Adult Social Services.

1.6 The arrangements for Safeguarding have been discussed by the Overview & scrutiny Panels most affected by the report. The Safeguarding arrangements vary from those in existence now in so far as they are affected by the proposed senior management arrangements. Details are contained in Appendix 2.

1.7 Full Council also needs to consider the proposed senior management arrangements and the designation of a Director of Adult Social Services. This

is the only issue that has not specifically been reviewed in detail by the Overview & Scrutiny Panels and the Audit Committee, being a specific responsibility of full Council. Details are set out in the report.

2 RECOMMENDATION

Council is recommended to:

2.1 Agree the principles contained in the Integration Project Report (see Appendix 1) and note the support for these principles from the affected Overview and Scrutiny Panels together with the Audit Committee, being:

(1) a codification of existing arrangements,

(2) designed to manage and further reduce the service provision and financial risks inherent in the services governed by the partnership.

2.2 Delegate the agreement of the Joint Working Agreement and the Financial Framework to the Chief Executive in consultation with the Monitoring Officer and S151 Finance Officer.

2.3 Approve the deletion of the post of Strategic Director: Adult & Health Services (designated as 'Director of Adult Social Services - DASS') from the Council's establishment; and

2.4 Designate the post of Chief Executive: NHS Bath and North East Somerset (PCT) as 'Director of Adult Social Services'.

2.5 Authorise the Chief Executive, in conjunction with Group Leaders, to take action to deal with employment matters arising from 2.3 and 2.4 above.

3 FINANCIAL IMPLICATIONS

3.1 Whilst there are clearly major sums involved in the Integration Project as a whole there are no direct financial implications relevant to this report other than those relating to the establishment of revised senior management arrangements.

3.2 The cost of establishing the revised management arrangements is £345,000. This is to be shared equally between the Council and the PCT. It is possible to recover these costs over more than one year and it is planned to charge to Council social care budgets £95,000 2009/10 and approximately £39,000 in the following two years. These costs will be absorbed within existing budgets as the new arrangements are intended to improve efficiency and effectiveness of the combined service.

3.3 The integration of services is intended to improve outcomes in the context of limited resources and, as such, is a key element in the Council's strategy to improve value for money.

3.4 The Council's S151 officer will need to be satisfied that the financial management arrangements develop in line with the financial framework in this report. This is a fundamental part of ensuring that the financial arrangements remain robust. Without the financial framework in place the partnership will

start to carry unacceptable risks, as will the services affected by the framework.

4 THE REPORT

Integration Objectives

4.1 In summary, the key objectives and aspirations for the community are:

- better outcomes, seamless services and greater efficiency.

These are to be delivered through:

- shared strategic planning and better aligned use of resources
- joint health and social care delivery teams
- greater emphasis on prevention
- shared governance and management arrangements

Current Position

4.2 The Council and the Bath & North East Primary Care Trust (PCT) have developed strong partnership working over a number of years in order to improve the planning and delivery of services. In line with proposals agreed by the Council and the PCT in December 2007 the following have been in place since April 2008:-

4.2.1 A Joint Partnership Board which oversees strategic planning and performance management of Adult Health, Social Care and Housing, Children's Services and Public Health. The Board has representatives from both the Council's Cabinet and the PCT Board, together with senior officers.

4.2.2 The Council's Director of Children's Services has had responsibility for Commissioning Children's Health Services on behalf of the PCT as part of his leadership of the Children's Trust arrangement.

4.2.3 The PCT Chief Executive has had responsibility for overall management of Adult Health, Social Care and Housing (AHSCH) alongside her PCT responsibilities and has attended the Council's management team, known as the Strategic Directors Group.

4.3 The Director of Adult Social Services (DASS) & Housing has been part of the Joint AHSCH Team with specific responsibilities for independently assuring the Council Chief Executive in relation to the statutory responsibilities associated with the DASS role.

4.4 There are several pooled and aligned budgets already in place. A list of these is provided in the annexes to the Integration Project Report. Aligned budgets remain in the separate organisations of the Council and the PCT but work in a complementary way. Pooled budgets are joint with combined management arrangements.

4.5 A Joint Working Agreement has just been developed along with a Financial Framework providing greater clarity about roles, joint planning, management of risks and finances.

4.6 A Memorandum of Understanding has also been established affecting the rights of the Council and the NHS in relation to future appointments. This gives the Council protection so that it cannot have a new appointee imposed on it in relation to the DASS role.

4.7 The opportunity now exists is to agree the principles contained in the Joint Working Agreement and the Financial Framework as summarised in the Integration Project Report.

4.8 A further opportunity is to make the interim management arrangements permanent and at the same time to delete the post of Director of Adult Social Services (DASS) & Housing as explained in the next section of this report.

Director of Adult Social Services (DASS) & Housing

4.9 The Local Authority Social Services Act 1970 (as amended), Section 6, requires the Council to appoint an officer to be known as the Director of Adult Social Services (DASS) and directly accountable to the Chief Executive for the purposes of its social services functions (other than those for which the Director of Children's Services is responsible under section 18 of the Children Act 2004).

4.10 The Secretary of State may make regulations setting out the requirements for appointment to the post, but has not yet done so. The partnership arrangements provided for by the Health Act 1999 enable the joint funding of posts between the Council and the PCT. A joint appointment of a person to a DASS post and a post in the NHS is therefore possible.

4.11 The statutory guidance provides that where such a joint appointment occurs, the DASS must remain an employee of the Council for the full range of adult social services responsibilities. In law, it is possible for an officer of the PCT to be seconded to the Council and, when acting as such, he or she will be an "officer" of the Council for the purposes of the 1970 Act.

4.12 Following the setting up of the Partnership between the Council and the PCT responsibility for staff within Adult Social Services has been discharged on the Council's behalf by the PCT Chief Executive. She has acted as a secondee to facilitate a single leadership structure.

4.13 The Strategic Director Adult & Health Services Housing has continued to perform the statutory DASS role. This has been particularly valuable in the process of transition especially as the post holder also covered the previously vacant Joint Director of Commissioning role.

4.14 In the new organisational model, it is not sustainable to support a full time appointment to the DASS role at this senior level in addition to the joint arrangements that are now in place. It is proposed to now fully amalgamate the roles of the DASS and the PCT Chief Executive Officer and delete the post of Strategic Director Adult & Health Services Housing from the Council's establishment. A Joint Director of Commissioning (responsible as outlined in Appendix 1) is now in post. Similar models have been adopted by a number of other Local Authorities in the country.

4.15 The risks of pursuing this model have been assessed and mechanisms to mitigate them identified. Firstly the accountability for the delivery of statutory

functions would transfer to the PCT Chief Executive Officer as Head of the AHSC Partnership. This post would then be wholly accountable to both the Council and the PCT for the full range of responsibilities and functions of the partnership and would be performance managed in that role through all existing mechanisms.

4.16 The potential for a conflict of interest in such a dual role is acknowledged. Any conflict is likely to be rare but significant risks are partly mitigated by fostering a culture of openness and transparency; the real protection is in the existence and role of the Partnership Board to resolve any ultimate conflicts between the NHS and Social Care agenda.

4.17 The Council has well established procedures for dealing with the Human Resource Implications of Organisational Change and it is proposed that these would be applied to deal with this particular change in leadership.

Local Strategic Partnership (LSP) & Local Area Agreements (LAA)

4.18 The PCT and Council are already working closely through the LSP. The PCT Chief Executive chairs the Health and Wellbeing theme area.

4.19 The Bath & North East Somerset LAA (2008 - 2011) lays out the priority outcomes for the area and contains 27 indicators which measure the achievement of those outcomes.

4.20 Key cross-cutting themes in the LAA include the following:

- Closing the gap between the most affluent and deprived neighbourhoods
- Raising attainment and ambition across all communities
- Reducing health inequalities
- Climate Change

Governance & Risk Management

4.21 It is important to note that overview and scrutiny, performance, financial and risk management processes remain in place for the services affected by this partnership, in the same way as they do for the rest of the Council.

4.22 The Partnership board is not a decision making body. However decisions are made contemporaneously by each party using the usual delegated decision making arrangements. These decisions are influenced by other arrangements or committees as detailed within the chart on page 12 of the Integration Project Report (Appendix 1).

4.23 The functions of the Partnership Board are primarily as follows -

- To oversee strategic direction and planning of services
- To oversee the commissioning, monitoring and performance management of services
- To carry these functions out whilst taking into account the strategic parameters set by the PCT and the Council,

4.24 Critical risks have been identified and risk management is overseen by the Integration Project Board.

4.25 The respective Audit Committees for the Council and the PCT will have significant roles in monitoring the risk register and the management of risk as well as agreeing the audit plans for the PCT and the Council.

Joint Working Agreement

4.26 The Joint Working Agreement is the legal agreement between the two organisations and the main principles it has used are as follows -

- Equal partnership and equal membership on the Partnership Board
- Accountability is retained by the employing organisation.
- Arrangements are in place for the Council to carry out its statutory duties
- The Commission for Social Care Inspection (CSCI) would be asked to comment on any future material changes to the senior management structure.
- Secondment of staff to perform functions of the recipient body on its behalf.

4.27 It is important to consider how in the event of changing circumstance the partnership might be brought to an end and how business continuity would be maintained.

4.28 The Joint Working Agreement is a key vehicle for mitigating such risks and details the arrangements for escalating disagreement, including seeking independent support and ensuring confidentiality in the event of disputes.

4.29 The agreement has been subject to scrutiny by the Corporate Audit Committee.

Financial Framework

4.30 There needs to be clarity about the financial relationship between the partners and how financial risks and pressure are to be managed.

4.31 Initially the Partnership will only continue to pool those budgets which have already been agreed. All other budgets will be aligned but remain the full responsibility of the relevant corporate body.

4.32 A draft financial framework has been developed which sets out the principles underpinning the financial relationship and deals with the existing situation and how change can be effected in the future over the following areas:

- Financial Planning
- Funding Arrangements
- Financial Management
- Financial Reporting
- Financial Administration
- Internal & External Audit Arrangements
- Non-Clinical Risk Management
- Review of the Financial Framework

4.33 The financial framework has been subject to scrutiny by the Corporate Audit Committee.

Support Services

4.34 Whilst the initial focus has been on the Commissioning and Delivery arms of the Partnership there are also major potential effects on all those services which support these functions in each organisation.

4.35 The key areas prioritised for attention are -

- Finance
- Communications
- Business Planning & Performance Management
- Support for the decision-making process.
- Audit
- Estates & Facilities
- Human Resources & Organisational Development
- Information Management & Technology

4.36 In total these support services cost almost £30M between the two organisations and employ nearly 400 staff. They are in turn supporting a Partnership of over 1800 staff with a total budget of £421M.

4.37 In the last few months some high level scoping work has been undertaken to compare the type and extent of support services provided to the Council and to the PCT.

4.38 The focus has been on alignment of support whilst retaining both organisations' separate support service functions. The focus is intended to increasingly turn to the level of duplication and what can be done to drive out efficiencies.

5 RISK MANAGEMENT

5.1 A risk assessment in relation to the overall project and integration of support services has been completed and reviewed by the Corporate Audit Committee.

6 EQUALITIES

6.1 A proportionate equalities impact assessment has been carried out in relation to this report.

7 CONSULTATION

7.1 The report was distributed to the S151 Officer, Monitoring Officer and Head of Paid Service for Consultation.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 The proposed Partnership affects many of the Council's improvement priorities and issues to consider include Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff and Other Legal Considerations.

9 ADVICE SOUGHT

9.1 The Council's Section 151 Officer, Monitoring Officer and Head of Paid Services have had the opportunity to input to this report.

Contact person	<i>John Everitt (01225 477400), Andrew Pate(01225 477300) & William Harding (01225 477203)</i>
Background papers	<i>None other than those referred to in the report.</i>
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