

TELFORD & WREKIN COUNCIL

CABINET – 12th NOVEMBER 2015

PUBLIC HEALTH GRANT SAVINGS PROPOSALS 2015-16

REPORT OF ASSISTANT DIRECTOR HEALTH WELLBEING & PUBLIC PROTECTION

LEAD CABINET MEMBER – CLLR RICHARD OVERTON

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

During the summer a public announcement was made to cut the Public Health grant by £200m nationally in 2015-16. A 4-week consultation with regard to how this saving is to be distributed between local authorities was launched on 31st July to which the council responded. For Telford & Wrekin this in-year saving would equate to £774k if the reduction is made on a pro-rata basis which is the Department of Health's (DH) preferred option.

The AD for Health Wellbeing and Public Protection has identified £424k in-year savings (approx 55% of potential cut). The in-year nature of this cut has made this a challenging task. 78% of the savings will affect external providers with largely in-year slippage against in-house service areas accounting for the remainder. The largest component of the savings relate to expenditure on smoking cessation and NHS Health Checks.

As this announcement came after the beginning of the year it was difficult to find possible reductions in the planned use of Public Health resources. There was, however, a public health initiative to provide free swimming for the over 50s as part of the 2015/16 budget strategy which was funded over a four year period on a one off basis from corporate resources. As no alternative options can be found to meet the grant cut, the concluding of this offer earlier than anticipated is one of the savings proposals included below. A further £144k of savings has also been identified from the use of non-recurrent reserves.

The overall total identified from the above proposals is £730k. If required, the remainder will be found from the corporate contingency

2. RECOMMENDATIONS

- 2.1 To note the Department of Health's proposed in-year saving to the Public Health Grant (£774k);**
- 2.2 To approve the proposals and risks of reducing expenditure in 2015/16 from the budget of the Assistant Director: Health, Wellbeing & Public Protection;**

2.3 To cease the offer of free swimming for the over 50s earlier than anticipated with effect from 1st January 2016.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Reductions in public health spending will impact on many of the co-operative council priority objectives but in particular: Improve the health and wellbeing of our communities and address health inequalities, Protect and support our vulnerable children and adults, Put our children and young people first
	Will the proposals impact on specific groups of people?	
	Yes	Public Health programmes are targeted in some of our more deprived communities where the impact in terms of wellbeing and length of healthy life will be felt most. An impact assessment has been undertaken.
TARGET COMPLETION/DELIVERY DATE		
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<p>The ringfenced Public Health grant in 2015/16 for Telford & Wrekin is £12.485m, comprising of an initial allocation of £10.913m and a further £1.572m allocation for the transfer of public health services for children aged 0-5 from October 2015.</p> <p>The Department of Health (DoH) is consulting with local authorities to consider options to deliver national in-year savings of £200m from the Public Health Grant. The DoH preferred option is to reduce each LA allocation by a flat rate of 6.2% which could mean a £0.774m reduction in T&W Public Health grant. T&W Budget strategy for 2015/16 has already delivered £0.300m Public</p>

		<p>Health budget savings.</p> <p>The potential £0.774m savings would be delivered from a combination of Health & Wellbeing budgets (£0.424m) and reserves/non recurrent budgets (£0.306m). Work is being undertaken within the service to identify the required further £0.044m savings to avoid the use of Corporate contingency if possible.</p> <p>There is a risk associated with the delivery of these savings in full in year as they are dependant on activity levels in specific areas such as smoking cessation. The projected delivery of these savings will need to be closely monitored to ensure any shortfall can be identified as early as possible and action taken to address it.</p> <p>GS 19/8/15</p>
LEGAL ISSUES	Yes	A review of the legal implications for this matter is set out in the report at paragraph 7 below.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The impact of reducing public health spending will also be felt across the public sector but especially the NHS
IMPACT ON SPECIFIC WARDS	No	Borough-wide impact, however many public health programmes are targeted in our most disadvantaged wards to reduce health inequalities

PART B) – ADDITIONAL INFORMATION

4. INTRODUCTION

The Public Health grant for 2015-16 is £10.9m. The last phase of the transfer of public health commissioning responsibilities from the NHS with respect to 0-5s children's services is to take place from October 2015 – the part year allocation is £1.5m. The Public Health grant is over-target by £1.9m (although this excludes the *target* allocation for 0-5s as this has not yet been determined). Approximately 6.6m of the total Public Health Grant is spent within the council.

During the summer an announcement was made to cut the Public Health grant by £200m in 2015-16, for Telford & Wrekin this would equate to £774k if the reduction is made on a pro-rata basis which is the Department of Health's

(DH) preferred option. A national 4–week consultation was launched on the 31st July to which the Council responded.

The Public Health grant is received from the DH and this in-year cut is disappointing and seems counter intuitive to the NHS commitment to preventative health care as outlined in the NHS Five Year Plan. Only 3% of the NHS budget was spent through the local authority Public Health grant. On average, in 2013/14, the NHS spent £1,742 per person on treatment services. This compares with an average spend today of £65 per person on Public Health preventative programmes in Telford & Wrekin. The in-year saving represents a cut of £4.60 per person in the borough and as Telford & Wrekin has significant health inequalities the cut will have a bigger impact. The impact of reducing spend on Public Health prevention measures will be felt by the NHS, employers (largely through lost productivity), the local authority, the police and communities themselves. Public Health spending is targeted at the most vulnerable groups and communities within the borough.

Unhealthy lifestyles costs the NHS and the economy billions of pounds per year – to the NHS smoking costs £2.7 billion, obesity £4.2 billion, alcohol £2.7 billion and physical inactivity £1.1 billion. Similarly to the economy smoking costs £5.2 billion, obesity £15.8 billion, alcohol £20 billion and physical inactivity £8.3 billion (Kings Fund). Public Health spending represents good value for money for the public purse:

- every £1 investment in interventions promoting active travel (cycling and walking) delivers a health benefit equating to £19;
- for every £1 spent on sport and physical activity programmes for at-risk youth an estimated £7.35 of social benefit is accrued through financial savings to police, the criminal justice system and the community;
- every £1 spent on smoking cessation saves £10 in future health care costs and health gains;
- every £1 spent on drugs treatment saves society £2.50 in reduced NHS & social care costs and reduced crime;
- every £1 spent on motivational interviewing & developing supportive networks for people with drugs & alcohol addiction returns £5 to the public sector in reduced healthcare, social care and criminal justice costs.

The national proposal is reduce the **2015/16** public health grant. It is unclear what the position will be for future years and this uncertainty is not helpful in planning terms.

5. BACKGROUND

The grant is made under Section 31 of the Local Government Act 2003 and there are conditions to govern its use. The primary purpose of the conditions is to ensure that the grant is spent on the new public health responsibilities transferred from the NHS to local authorities and there is a requirement that it is spent against public health outcomes. This means that the use of the grant should meet the following conditions:

- improve significantly the health and wellbeing of the local population
- reduce health inequalities across the life course, including within hard to reach groups

The new local authority public health responsibilities include a wide variety of functions, some of which some are prescribed and some non-prescribed. The prescribed functions are a mixture of services and leadership responsibilities and include sexual health services (STI testing & treatment and contraception services), NHS Health Checks, Health Protection, CCG support and National Child Measurement programme. In the future universal elements of the 0-5s service are prescribed.

Some headline performance from some of the services that form part of the new public health responsibilities include:

- Nearly 120 pregnant women were supported to give up smoking in 2014/15 – more than last year and smoking in pregnancy appears to be on a downward trajectory having been stable for many years.
- In total 1,075 smokers were supported to give up – lower than last year as the popularity of e-cigarettes has increased, but the service's success rate was 59% (higher than the national average) and the overall number of people quitting per head is far better than the national average. Nearly 70% of smoking cessation activity is with clients living in the 40% most deprived areas.
- Around 7,500 attendances or episodes of care were completed by the main sexual health services and over 2,200 users received long acting reversible contraception – 300 more than last year.
- The reach of our healthy lifestyle hub has increased since it was in-sourced into the council and operates out of Southwater. The team has delivered nearly 11,250 opportunistic brief interventions, 4,300 brief interventions and 950 extended 12- week programmes – all more than last year. Just over a quarter of their activity is targeted at the 35,500 residents living in the Target Intervention Wards.
- There are currently 712 people in active treatment with our substance misuse services. The Council's Drugs and Alcohol Recovery service, working with our other treatment providers, has been successfully supporting people in treatment to get into employment. At the end of March 82% of clients leaving treatment were working, which is by far the highest rate of all local authorities in the West Midlands.

6. PROPOSALS FOR IN-YEAR SAVINGS IN BUDGET OF AD: HEALTH WELLBEING AND PUBLIC PROTECTION 2015-16

The 2015-16 public health budget of the AD Health Wellbeing and Public Protection has been reduced by £100k to support other service areas, with a

further £200k savings made against the Council's base budget contribution to drugs and alcohol services.

The AD for Health Wellbeing and Public Protection has identified £424k in-year savings (approx 55% of potential cut). The in-year nature of this cut has made this a difficult task. 78% of the savings will affect external providers with largely in-year slippage against in-house service areas accounting for the remainder. The largest component of the savings relate to expenditure on smoking cessation and NHS Health Checks. These services are commissioned on a payment by results or check basis and demand last year was lower than expected. There are financial risks if demand for these contracted services is higher than expected and there are real health impacts from lower demand particularly from fewer smoking quitters on NHS services and health outcomes such as early deaths particularly in our most disadvantaged communities. In-house providers will need to maintain the current underspend to ensure delivery of these in-year savings.

Breakdown of savings proposals from the budget of the AD for Health Wellbeing & Public Protection

Area of spend	Budget 15/16 £000's	Total Possible Savings 15/16 £000's
Public Health Management and Administration	987	31
Smoking Cessation	562	190
NHS Health Check Programme	185	46
Substance Misuse	2,546	28
Sexual Health Services	1,240	4
Infection Control	61	0
Early Help	878	40
Living Well	877	70
0-5 Children's Services (from October 2015)	1,572	15
Total	8,908	424

Other potential savings

A further £319k of savings has also been identified. These include the use of council base budget reserves within the responsibility of the AD for Health, Wellbeing and Public Protection (£144k) and a proposal to conclude the offer of free swimming for the over 50s (estimated £162.5k) earlier than anticipated. The impact of this latter proposal will be felt most by the over 50s who cannot afford to participate in swimming regularly to improve their fitness and health. However people aged over 50 who qualify for a Concessions TLC card would be able to swim for the reduced rate of £1. These people would need to be

residents and include those in receipt of Council Tax Benefit, Housing Benefit, Pension Credit and Carers Allowance and disability type benefits (the latter is also applicable to non-residents). Residents who are over 50, and do not qualify for the Concessions TLC card, are able to apply for a standard adults TLC card which would enable them to swim for the discounted rate of £3.65. Residents also have the option of paying monthly for the Aspirations package that includes free swimming and may be more cost effective according to their pattern of usage of leisure facilities.

The overall total identified from the above proposals is £730k. If required, the remainder will be found from the corporate contingency.

7. LEGAL IMPLICATIONS

There are three key legal points relating to the proposals in this report.

First there is issue of ensuring that the Authority continues to meet its legal obligation for the provision of public health services whilst reducing the relevant budget. Section 2B(1) of The National Health Services Act 2006 (as amended) places a duty on the Authority to take such steps as they consider appropriate to improve the health of people within the Borough. This includes providing services and facilities for the prevention, diagnosis or treatment of illness and providing assistance to help individuals to minimise any risks to health arising from their accommodation or environment. Some of the proposals in this report will result in a reduction in the services which assist the Council in meeting this requirement. However, whilst the services are reduced it is still the case that the Authority continues to meet its legal obligation. In addition to the more generic obligations referred to above, there are some specific public health services which the Authority is required, by statute (such as in The Local Authorities (Public Health Functions and Entry to Premises by Local HealthWatch Representatives) Regulations 2013), to provide. These services are referred to in this report. Irrespective of budget reductions, the statutory services have to continue to be provided by the Authority even if the service is reduced. Any removal of these services would be unlawful and leave the Authority at a high risk of a successful legal challenge.

Second, and leading from the first issue, care needs to be taken about the mechanism to amend and/or reduce public health services. Some public health services for this year and beyond have already been provided for in contracts properly procured and executed prior to the announcement of the reduction to the public health budget. The late notification of the reduced funding means that the services were procured when the budget for those services was greater. Negotiations with contractors to review and amend contracts may now have to take place. In some cases the contracts may allow for appropriate changes, in other cases there may be a need to amend existing contracts. If that is the case then advice will be provided by the procurement and Legal Services teams to ensure that appropriate amendments are made and that the amendments remain within the provisions of the procurement rules.

Finally, any significant change to a statutory service will require an equalities impact assessment and in many cases a public consultation before a final decision is made as to how the service will change.

8. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

The reduction in spending on public health programmes particularly smoking cessation, will have an impact on health inequalities within the borough. Smoking is the single biggest contributor to health inequalities - 50% of the differences in life expectancy between deprived and affluent populations is a result of smoking habits. Downward trends in life expectancy have been seen most in those communities that have benefited from quitting smoking.

9. PREVIOUS MINUTES

Service & Financial Planning 2015/16-2017/18 Report Cabinet 26th February 2015

2015/16 Financial Management Report Cabinet 23rd July 2015

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