

Southend-on-Sea Borough Council

Agenda
Item No.

17

Report of the Director of Public Health
to
Cabinet
on
22nd September 2015

Report prepared by:
James Williams, Head of Health Development

Local authority public health savings 2015-16 – in year savings
People Scrutiny Committee
Executive Councillor: Councillor Moyies
A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 This report outlines initial proposals for in year savings from the public health ring fenced grant following the Treasury announcement to reduce the national public health ring fenced grant by £200m in 2015/16.

2. Recommendations

- 2.1 To note the anticipated reduction to the public health ring fenced grant in 2015-2016.
- 2.2 To approve the initial proposals to meet the in year savings requirement from the public health ring fenced grant.

3. Background

- 3.1 Unitary and upper tier local authorities have received a ring fenced grant from Public Health England since April 2013 to deliver their new public health responsibilities that were transferred from the NHS at that time.
- 3.2 The Department of Health specifies conditions for the use of the public health ring fenced grant. These include the requirement that the grant is used to pay for a number of mandated services that local authorities are required to deliver (Appendix 1). There are also a number of non-mandated public health services which are also outlined in Appendix 1. Although drug and alcohol services are not a mandated public health service, local authorities do have a statutory duty to meet the assessed needs of vulnerable people with drug and alcohol issues if they meet the local authority eligibility criteria. Local authorities are required to complete an annual return on how the public health ring fenced grant has been spent.
- 3.3 For 2015-16, Southend-on-Sea Borough Council's public health ring fenced grant was expected to be £8.060m. The Council will also receive an additional £1.355m in October 2015. This additional resource is a half a year effect to

commission 0-5 children's public health services which become the responsibility of the Council from 1st October 2015.

- 3.4 On 4 June the Chancellor of the Exchequer announced a package of savings to be made across government in 2015/16 to reduce public debt. The savings amount to £3 billion and includes £200 million from this year's public health grant to local authorities.
- 3.5 The Department of Health issued a consultation paper 'Local Authority Public Health Allocations 2015-16: In year Savings' on 31st July 2015. As part of this consultation a key question posed is how to spread the £200m savings across local authorities, and 4 possible options were given. The Department of Health's stated preference is for a 6.2% reduction to be applied to each local authority's public health grant.
- 3.7 The financial impact of a 6.2% reduction in the public health ring fenced grant for Southend-on-Sea Borough Council would be £584,000 leaving a grant of £8,831million in 2015/16. Of this £2.8 million is directly allocated to the Council's Drug and Alcohol Commissioning Team (DACT).
- 3.8 The current proposals to deal with the £584,000 (6.2%) reduction in the 2015/16 public health ring fenced grant include:
- A reduction in DACT budget allocation of £175,000. This is a proportionate reduction based on the DACT receiving 35% of the general public health grant
 - A reduction in overall public health budget spend of £409,000
- 3.9 The DACT team is proposing to find their savings through adjustments to future commissioning intentions. These include:
- Reducing the workforce training budget (including GPs/pharmacists/ drug and alcohol treatment services) by £30k
 - Reduction in contribution from drug / alcohol budget to health trainers service £10k
 - Not procuring a discrete service for harmful / hazardous levels of drinking £100k
 - Not procuring a pre-residential treatment pathway (to maximise cost and clinical efficiency of residential placements) £35k

The proposals for the £409,000 savings from the general public health department include:

- Amending the scope and tender value of the Home from Hospital service to save £55k
- Reduction of staffing budget by £43k by removing vacancies
- Not recruiting a collaborative joint commissioning manager post £21k.
- Reducing the budget available to commission miscellaneous public health services. Savings include: NHS Healthchecks non-core budget £25k, Taxi driver health improvement initiative £7k.
- Use of public health reserves: £258k. This funding had been created to invest in further prevention activities including general proactive public health

inequalities commissioning, lifestyle and social marketing interventions to increase uptake of prevention services.

A full break down of these savings, including implications and mitigating factors is included at Appendix 2.

- 3.10 Mandated and non-mandated public health services that are currently under contract will be delivered in 2015/16. This is possible because the department had created reserves in 2014/15 to invest in other areas of prevention. If these cuts are recurrent (2016/17) there will be an impact on ability to innovate and commission wider corporate non-mandated public health services in 2016/17. The impact may be on range of preventative services. These include support for people to stop smoking, programmes that assist people to become more physically active, programmes that help people manage wider lifestyle issues related to their physical and emotional health and wellbeing. Disinvestment in prevention in the short term will subsequently lead to increased costs for health and social care in the longer term, as a result of potentially avoidable conditions.

4.0 Reasons for Recommendations

- 4.1 The proposals for the in year saving of £584k will enable the Council to continue to deliver its mandated services and meet the requirements for the public health ring fenced grant.

5.0 Corporate Implications

- 5.1 Contribution to Council's Vision & Corporate Priorities

The public health ring fenced grant is used to support attainment of the Council's vision of a 'Better Southend' and the corporate priorities.

- 5.2 Financial Implications

The final savings figure will be calculated following the publication of the outcome of the Department of Health consultation on the scale of the reduction. However, their favoured course of action is to reduce all local authority public health grants by 6.2%, which equates to the planned reduction of the Southend grant by £584k.

- 5.3 Legal Implications

These initial proposals will allow the Council to continue to meet its legal duties under the Health and Social Care Act 2012 and all planned expenditure will be within the conditions of the public health ring fenced grant.

- 5.4 People Implications

A vacant post is being put forward for savings, there are no other human resources implications from the proposed initiatives to find the in year savings.

5.5 Property Implications

None.

5.6 Consultation

The Department of Health issued a consultation paper 'Local Authority Public Health Allocations 2015-16: In year Savings' on 31st July 2015. As part of this consultation a key question posed was how to spread the £200m savings across local authorities and 4 options were presented:

- A. Devise a formula that claims a larger share of the saving from local authorities that are significantly above their target allocation.
- B. Identify local authorities that carried forward unspent reserves into 2015/16 and claim a correspondingly larger share of the savings from them.
- C. Reduce every local authority's allocation by a standard, flat rate percentage.

Nationally the £200 million saving amounts to about 6.2 per cent of the total grant for 2015/16, so that would also be the figure applied.

- D. Reduce every local authority's allocation by a standard percentage unless an authority can show that this would result in particular hardship.

As the Council's public health ring fenced grant is still over £1m below its target allocation as defined by the ACRA formula, Option A was the favoured option indicated in the Council's feedback to the consultation.

5.7 Equalities and Diversity Implications

Following consideration of the proposals by Members, further work will be carried out to consider the equality implications and how identified issues could be addressed and these will be reviewed on a continual basis. Every effort will be made to produce an EQIA and minimise the impact on most vulnerable populations

5.8 Risk Assessment

Mitigation has been put in place to offset any potential impact on service delivery in 2015/16. There is however, potential for an impact on the delivery of public health services in 2016/17 should the level of cuts exceed the 6.2% level envisaged or be made recurrent. The primary risks relate to unknown pressures attributable to commissioning 0-5 children's services which become the Council's responsibility in October 2015. There is also potential for increased costs arising from payment of providers for out of area sexual health services. Work is currently on-going to manage the transfer and identify risks relating to commissioning of 0-5 children's services. There is currently a process to manage risks related to out of area sexual health service payments. Additional work will be carried out to assess and mitigate against any specific financial risks that arise following publication of the outcome of the Department of Health savings consultation.

5.9 Value for Money

Value for money has been considered in some of the redesign of services proposed to make in year savings from the public health grant.

6.0 Background Documents

Local Authority public health allocations 2015/16: in-year savings, a consultation, July 2015. <https://www.gov.uk/government/consultations/local-authority-public-health-allocations-2015-to-2016>

Appendix 1: Mandated and Non- Mandated Public Health Services

Mandated Public Health Services

- Sexual health services – Sexually transmitted infection testing and treatment
- Sexual health services – Contraception
- NHS Health Check programme
- Local authority role in health protection
- Public health advice (core offer)
- National Child Measurement Programme
- 0-5 Children's public health services* (from October 2015)

Non- mandated Public Health Services:

- Sexual health services - advice, prevention and promotion
- Obesity – adults
- Obesity – children
- Physical activity – adults
- Physical activity – children
- Drug misuse – adults
- Alcohol misuse – adults
- Substance misuse (drugs and alcohol) - youth services
- Stop smoking services and interventions
- Wider tobacco control
- Children 5-19 public health programmes
- Miscellaneous, which includes:
 - Non-mandated elements of the NHS Health Check programme
 - Nutrition initiatives
 - Health at Work
 - Programmes to prevent accidents
 - Public mental health general prevention activities
 - Community safety, violence prevention & social exclusion
 - Dental public health
 - Local authority role in surveillance and control of infectious disease
 - Information & Intelligence
 - Any public health spend on environmental hazards protection
 - Local initiatives to reduce excess deaths from seasonal mortality
 - Population level interventions to reduce and prevent birth defects (supporting role)

Appendix 2

Overview of the proposed savings to deliver an in-year 6.2% reduction of public health ring fenced grant

Home from Hospital - Reduce budget by £25k (from £80k)

Evaluation of the public health funded hospital from home service identified some overlap with other services (e.g. Royal Voluntary Services, Southend-on-Sea Borough Council Home Again Service, and the new community recovery pathway).

Discussions with the acute discharge co-ordinator at Southend Hospital and adult social care commissioners has led to a revised service specification. The new service will focus on delivering support through volunteers to identified at risk individuals. The service will be more flexible and focus on supporting people who are socially isolated to remain in their own home following discharge. The population outcomes set out in the new tender include improving mental health outcomes, tackling fuel poverty and reducing risk of falls and repeat falls in older people.

Staffing – Reduce staffing budget by £43k (from £1,56m – this budget includes school nursing and stop smoking specialist service)

There are vacancies arising from in year retirement of an administrator and 2 stop smoking advisors. Savings can be made from this cost centre by sharing the work of the advisors and administrators across the remaining workforce. In addition, specialist stop smoking advisors are available as bank staff. This enables services to be maintained at current levels through use of bank staff if required.

Joint Commissioning - £21k

The funding for this post was allocated prior to the development of a joint commissioning function between the Council and NHS Southend Clinical Commissioning Group. Dialogue with the Council's Group Managers responsible for this work confirm this funding is not required to deliver objectives and can be withdrawn without any impact on service delivery.

NHS Health Checks - £25k (from £325k)

No critical service elements have been affected by this cut. There is now a commissioned NHS Health Check outreach programme that was not in place in 2014/15 - this means that software costs and external support costs can be saved with no impact on service delivery.

Taxi Driver Initiative - £7k

Working with the Department of Place, this was a specific initiative focused on improving the health of taxi drivers resident in Southend. It has been agreed that the work should fall under the overall Public Health Responsibility Deal work-stream. Sufficient resources are allocated to this work-stream to support this specific targeted initiative.

Public Health Reserves - £258k

Non-recurrent public health reserves were generated in 2014/15 through

- Efficiencies gained from commissioning of Integrated Sexual Health Service
- Income generation- Joint arrangements: Stop Smoking Services Essex County Council, Thurrock Council
- Efficiencies through bringing school nursing service in house
- Project slippage

These reserves had been earmarked to deliver additional lifestyle related initiatives and general social marketing related to lifestyle behaviour change programmes. These initiatives would have helped to engage more people with these services with the aim of reducing the burden of long term conditions in the future.

Drug and Alcohol Action Team Savings:

Workforce training budget - £30k

This funding cut will reduce training to frontline staff (GPs, pharmacists, drug and alcohol services) to update their knowledge, skills and confidence in dealing with people who use drugs and alcohol. Alternative methods of training will be sought.

Contribution to health trainers service - £10k

This contribution was to provide additional access to health trainer service. People who use drugs and alcohol will still be able to access the general health trainer service for lifestyle advice.

Service for harmful / hazardous levels of drinking - £100k

This funding was to deliver a dedicated early intervention service for people with lower levels of alcohol dependency. Early intervention is often more clinically and cost effective. This will need to be picked up through specialist services and through work with primary care providers. However, capacity to support people with harmful or hazardous levels of drinking will be less than would have been provided through a dedicated service.

Pre-residential treatment pathway - £35k

This funding was to undertake work with people in the pre-residential treatment phase for alcohol misuse in order to gain maximum clinical benefit from their residential treatment. This aspect will need to be built into the service specification when the service is next tendered.