

23 July 2015		ITEM: 11
Health and Wellbeing Overview and Scrutiny Committee		
Public Health Grant 2015/16 – Proposed Reductions		
Wards and communities affected: All	Key Decision: N/A	
Report of: Roger Harris – Director of Adults, Health and Commissioning / Ian Wake – Director of Public Health		
Accountable Head of Service: N/A		
Accountable Director: Roger Harris / Ian Wake		
This report is Public		

Executive Summary

Thurrock received notification on Monday 8th June that the Public Health Grant was to be cut nationally by £ 200m in 2015/16 following the Chancellor’s pre-budget statement the previous week.

It is not fully clear yet how this figure was arrived at nor the rationale for the decision. It amounts to a 7.4% cut to the total PHG across England.

If this is applied pro-rata to all local authorities it will amount to a cut of £614k to the Thurrock’s allocation.

Public Health England are going to have a short consultation on the methodology for applying the cut (not whether the cut will happen or not). This is likely to be based on two options:

- a. same percentage cut for all local authorities; or
- b. weighted cut based on each local authorities “distance from target” ie how far they are above or below their needs formula.

It is particularly difficult to make this cut because it comes part way through the year, there was no advance notice and the majority of contracts have already been agreed.

1. Recommendation

1.1 Members are asked to consider and comment on the proposed reductions to the Public Health Grant for 2015/16.

2. Introduction and Background

2.1 The Public Health Grant is provided to local authorities to give them the funding needed to discharge their public health responsibilities. Broadly these responsibilities include:

- Improve significantly the health and wellbeing of local populations;
- Carry out health protection and health improvement functions delegated from the Secretary of State;
- Reduce health inequalities for all ages, including within hard to reach groups;
- Ensure the provision of population wide healthcare advice.

Under the DoH guidance it remains essential that funds are only spent on activities whose main or primary purpose is to improve the public health of local populations.

The grant is made under Section 31 of the Local Government Act 2003 the Secretary of State has set down conditions to govern its use. The primary purpose of the conditions is to ensure that the grant is used to assist the local authority to comply with its Public Health duties and mandatory functions, that it is spent appropriately, and accounted for properly.

2.2 Prescribed and Non Prescribed functions

Prescribed Functions:

- Sexual Health Services- STI testing and treatment
- Sexual Health Services- Contraception
- NHS Health Check Programme
- Local Authority role in health protection
- Public Health Advice
- National Child Measurement Programme
- Prescribed Children 0-5 Services

Non- Prescribed Functions commonly funded from the Public Health Grant:

- 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 Service
- Stop Smoking services and interventions
- Wider Tobacco Control
- Children 5-19 Public Health Programmes
- Non-prescribed Children 0-5 services

3. Issues, Options and Analysis of Options

3.1 Detailed below is a summary of the 2015/16 planned PHG allocation within Thurrock

Table 1

Budget Heading	Original 2015/16 Allocation £000s	Notes
Drug and alcohol contracts	1,310	Contract committed to March 31 st 2017
Nutrition, Obesity, Physical Activity	250	Includes mandated National Childhood Measurement Programme
Tier II Weight Management adults	122	Contract committed until 31 March 2016.
Community Weight Management and other community development initiatives	250	150K of grants already awarded in 2015-16.
Smoking cessation and tobacco control programmes	475	Range of services commissioned through GPs, pharmacies and through NELFT. Contract committed until 31 March 2016
Children 5-19	1,300	School nursing service via NELFT Significant savings negotiated this year. Contract committed until 31 March 2016
Adult Health Checks	329	Mandated Service. Have already negotiated significant savings in year. Contract in place until March 2016
Breast feeding and parenting support programmes	432	Contract ends 31 August 2015. Procurement programme currently under-way.
Sexual Health, contraceptive advice, Genito-Urinary Medical Services, chlamydia screening	1,573	Contracts in place with NELFT, BTUH, SHUFT, GPs until March 2016. Significant savings already made on contracts.

Library and other Evidence Based Services	12	Contract in place with ECC until March 2016.
Occupational Health	160	Core service – under review to see if savings possible.
Placements (adults)	250	Support for placements / re-ablement contracts. Resource committed.
Prevention programme – LACs; Early Offer; reablement; independent support, Community Champions	1,490	These services have been reviewed recently and were re-prioritised as part of the £ 1.49m cuts taken out of the PHG in 2015/16 already.
Core team including new full time Director post and strengthened capacity to deliver the NHS Core Offer and Health Protection functions.	955	NHS core offer and health protection functions are mandated. Vacancies have been held and temporary (9 month) 'free' PH Consultant capacity obtained as a result of placing a final year PH Senior Registrar from the Eastern Deanery.
Misc. department running costs	21	Committed
Thurrock 100	20	Committed
Community Builders	30	Committed
Corporate Recharges	200	Committed
Total Planned Spend	9079	
Original 2015/16 PH Grant	(8631)	
Carry forward from 2014/15	(557)	This was to take into account those projects that had not yet commenced by 1 st April or ran across financial years
(Surplus) Deficit	(109)	

- 3.2 £557K has been carried forward from 2014/15. This has arisen for two main reasons – first of all a number of contracts do not run from 1st April and start mid-way through the year and secondly it has taken the PH team some time to get on top of the contracts passed over from the PCT and understand exactly what the spend and activity levels were for Thurrock.
- 3.3 If the DH were to demand the full £614K of Public Health grant to be returned in year, and PH planned spend were to remain constant, this would leave a deficit of £505K in 2015/16 and an on-going deficit of £1.053M from 2016/17. (see Table 2).

Table 2

	2015/16 £000s	2016/17 £000s
Original PH grant	(8631)	(8631)
Carry forward from 2014/15	(557)	0
Planned spend	9079	9070
Return of 7.4% of PH grant	614	614
(Surplus) Deficit	505	1053

3.4 Contracts with the current breast feeding and parenting support providers ended on 31 May 2015. A re-procurement exercise has failed to attract any new providers, largely as a result of news of the proposed PH grant reductions. Freezing re-procurement of this service would deliver £266K savings in 2015/16 and £322K in 2016/17 but is not without implications in terms of the health of the population of Thurrock. These include:

- **A reduction in breast-feeding prevalence.** Thurrock currently has a breast-feeding prevalence below the national average. Breastfeeding has been shown to be highly health protective for both mother and child, and a key factor in reducing child and adult obesity, a very significant public health issue in Thurrock where rates are significantly greater than the UK average.
- **An increase in health inequalities.** The programme is designed to target hard to reach and deprived communities where breast-feeding rates are traditionally lower. Removing this support may ultimately increase health inequalities across Thurrock.
- **A loss of community capacity and reduction in community cohesion.** The programme works on a community development model and recruits and trains local volunteers from the communities it targets. As such it acts as a positive skills developing initiative for the people delivering as well as receiving the intervention and builds community skills and capacity.

3.5 Table 3 suggests additional savings that could be made in 2015/16 to cover the £505K deficit, with their implications.

Table 3

Programme	2015/16 in year savings £000s	Implications
Halt re-procurement of Community Breast feeding and parenting support programmes	266	As above
Halt further investment in Community Health/weight management initiatives	100	Thurrock is ranked sixth worst in England for levels of adult obesity. Reducing investment in this programme reduces our ability to address this complex PH issue.
Reduce staff costs in PH team	59	The retirement of the Head of Public Health provides an opportunity to refocus capacity and skills in the PH team to strengthen the PH Core offer to the NHS, and Health Protection functions (both of which are currently inadequate). Recruitment to the Consultant in PH post could be delayed until March 2015/16 due to the free temporary resource from the Senior Registrar placement. However this post will need to be filled in 2016/17 if the Council is to have sufficient capacity to full-fill its statutory responsibilities to provide an NHS core offer and health protection functions. As the Senior Registrar does not start until November 2015, it will also place additional short-term increased workload on existing team members.
Reduce funding to in-house Occupational Health service	60	Few as spend on this service in 2014/15 was £60K less than budgeted.
Slippage in Alcohol Detox and Sexual Health Services contracts	20	None.
Total	505	

3.6 If the Public Health grant for 2016/17 remains the same and the 7.4% cut is applied again to Thurrock, this leaves a further £548K deficit, however at present 2016/17 PH grant funding has not been confirmed. There is more flexibility to re-negotiate and re-commission contracts in 2016/17 as a number of current contracts end at the end of the current financial year.

4. Reasons for Recommendation

- 4.1 The proposed reductions are required in order to deliver the savings required through the cut in the PHG.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 HOSC is being consulted as are our partners in the Thurrock Clinical Commissioning Group.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 This is dealt with in the body of the report. If the cuts proceed it will impact on some of the key priority areas in our Health and Well-Being strategy.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Strategic Resources Accountant

The projected £0.614m reduction in the Public Health grant will require the Council to reduce its level of public health expenditure, as detailed within the report. The Council set its budget in accordance with the grant confirmation given by central government departments, and subsequent alteration to these requires in-year adjustment, which will have a significant impact on the services that can be delivered this year and going forward.

7.2 Legal

Implications verified by: **Daniel Toohey**
Principal Corporate Solicitor

- a. Section 31 of the Local Government Act 2003 provides that a Minister of the Crown may pay a grant to a local authority in England towards expenditure incurred or to be incurred by it; the Minister may determine the amount and the manner of its payment, and the conditions upon which it will be paid;
- b. A broad description of the conditions and purposes of the Public Health Grant is contained within the body of this report;
- c. This report puts forward a number of options in relation to the discontinuance of certain services. Legal services is available to advise and assist in relation to any consultation requirements or processes for contract termination if relevant.

7.3 **Diversity and Equality**

Implications verified by: **Roger Harris**
Director of Adults, health and commissioning

The Directorate will undertake an Equality Impact Assessment on any major reductions that are proposed.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. **Appendices to the report**

- None

Report Author:

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