

# Health and Wellbeing Board Briefing

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**Public health budget: in-year reductions**

Lead director: Ruth Tennant

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**Ward(s) affected:** All

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### **1.0 Purpose of Briefing**

To provide the Health and Wellbeing Board with a briefing on national plans to make in-year savings on the ring-fenced public health grant to local councils.

### **2.0 Background**

In 2013, responsibility for public health transferred from the NHS to upper-tier councils. Public health is funded through a ring-fenced allocation from the Department of Health.

This funding supports a number of public health services and programmes including school nursing, the national child measurement programme, drugs and alcohol services, stop smoking services, healthy weight and physical activity, sexual health, NHS Health-checks.

The grant supports nationally mandated requirements to provide public health advice to the NHS and to protect the public from threats to health. It also gives councils discretion to allocate funding on the basis of local needs and local priorities: locally, for example, this funding has been used to pay for outdoor gyms.

From October 2016, public health will also take responsibility (and associated funding) for local health visiting services.

The public health allocation is based on a number of factors, including local health need and historical spending on public health. Leicester's public health allocation in 2015/16 was £21.9 million.

### **3.0 Changes to the public health allocation in 2015/16**

On the 5<sup>th</sup> June, the Chancellor announced proposals to make a £200 million cut to "non-NHS services" funded by the Department of Health. Locally, this would amount to approximately £1.6 million pounds. This would apply to the current year's allocation.

A consultation on the proposals took place for one month, ending on the 28<sup>th</sup> August. This set out four options:

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

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

The consultation does not explicitly state the criteria to be used to assess these options, although the DH preference is for option C as the "simplest and most transparent".

The impact of these options for Leicester and other councils in the East Midlands is set out below:

	Original 2014-15 allocation £000s	Original 2014-15 target £000s	Distance from target £000s %		0-5 funding £000s	Estimated cuts on:			
						Option A	Option B	Option C	
						£000s	£000s	£000s	
Derby	14.5	16.9	-	2.5	-14.5%	0.3	0.4	-	1.1
Leicester	22.0	26.1	-	4.1	-15.7%	0.4	0.5	-	1.6
Rutland	1.1	0.9		0.2	17.2%	0.0	0.2	0.3	0.1
Nottingham	27.8	26.8		1.1	3.9%	0.5	3.0	1.0	2.1
Derbyshire	35.7	32.0		3.6	11.3%	0.5	5.9	4.4	2.5
Leicestershire	21.9	23.2	-	1.3	-5.8%	0.3	0.5	-	1.6
Lincolnshire	28.5	30.0	-	1.5	-5.0%	0.4	0.7	1.2	2.0
Northamptonshire	29.5	32.5	-	3.0	-9.1%	0.5	0.7	8.7	2.1
Nottinghamshire	36.1	36.4	-	0.3	-0.8%	0.6	2.3	4.4	2.6
<b>East Midlands total</b>	<b>217.1</b>	<b>224.9</b>	-	<b>7.8</b>	<b>-3.5%</b>	<b>3.6</b>	<b>14.2</b>	<b>20.0</b>	<b>15.7</b>

#### **4.0 Response to proposals**

Locally, representations have been made against these changes to the Department of Health, via the Association of Directors of Public Health and through a number of other routes, covering the following key points.

- The majority of the grant allocation is in contracts with NHS organisations and other providers, including the voluntary sector. Financial commitments have therefore been made for the duration of the financial year.
- The public health allocation supports national commitments to invest in prevention, set out in the NHS's Five Year Vision. This makes it clear that investment in prevention is essential to reducing the burden of ill-health and to the financial stability of the NHS.
- Contrary to national announcements, the ring-fenced allocation funds key front-line services, such as drug and alcohol treatment services and screening programmes such as NHS Health-checks.

A formal response has been made to the Department of Health, pointing out the local risks of proceeding with the budget reductions and making a case that if reductions to go ahead, the 'least worst' option (option A) should be implemented.

#### **5.0 Key issues**

At this stage, there are a number of uncertainties:

- If the in-year savings will go ahead

- If so, whether these will be one-off savings or recurrent

### **6.0 Next steps**

In order to plan for anticipated savings, all public health spending is under review to identify where savings could be made in-year.

This is being done by:

- Reviewing the effectiveness of all public health programmes to identify which have the most and least impact on health outcomes & to identify areas for review and service redesign.
- Reviewing activity in public health contracts to identify where savings could be made, either in-year or as contracts come up for renewal
- Developing options for consideration by the Lead Member and Executive in September 2015.

### **Details of Scrutiny**

An earlier version of this report has been considered by the Health and Well-being Scrutiny Commission on the 6<sup>th</sup> August 2015.