



Although a formal committee of the city council, the Health & Wellbeing Board has a remit which includes matters relating to the Clinical Commissioning Group (CCG), the Local Safeguarding Board for Children and Health Watch. Papers come from a variety of sources. The format for Health & Wellbeing Board papers is consequently different from papers submitted to the city council for exclusive city council business.

1. Impact of the in-year reduction to the local authority public health grant allocation 2015/16

- 1.1. This paper can be seen by the general public
- 1.2. This paper is for the Health & Wellbeing Board meeting on the 15th December 2015
- 1.3 Author of the Paper and contact details

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2. Summary

- 2.1. As a result of the Chancellor of Exchequer's announced package of savings earlier in the year, all council public health departments' ring-fenced budgets have been cut in year by 6.2%. This paper outlines the local impact of this budget reduction in monetary terms and the savings that have been identified in order to come within budget.
- 2.2. The Chancellor of the Exchequer's Autumn Spending Review on 25th November stated that "the government will make savings in local authority public health spending. The government will also consult on options to fully fund local authorities' public health spending from their retained business rates receipts, as part of the move towards 100% business rate retention. The ringfence on public health spending will be maintained in 2016-17 and 2017-18."
- 2.3. If the public health grant is reduced for future years the public health directorate may have difficulty in achieving the required contribution towards the council's

savings targets in 2016/17; however the full amount should be achieved over a three year period from 2017/18.

3. Decisions, recommendations and any options

- 3.1. The Health and Wellbeing Board is asked to note the contents of this report.

4. Relevant information

- 4.1. In April 2013, responsibility for commissioning some public health services transferred from the NHS to local authorities (LAs) in England, and LAs have a duty to take the steps that they believe are appropriate to improve the health of their populations. The Department of Health (DH) funds LAs for this with a ring-fenced grant. Other than requirements to discharge a limited number of public health functions prescribed in regulations and to comply with specific conditions that DH attaches to the grant, it is for LAs to determine how best to invest these resources.
- 4.2. In 2015/16 the total grant amounted to £2.8 billion, supplemented by a further £430 million when responsibility for services for children aged 0 – 5 transferred to LAs from NHS England on 1 October. In Brighton and Hove the initial grant was £18.695m supplemented by a further £2.111m towards responsibility for children 0-5 (part-year).
- 4.3. On 4 June 2015 the Chancellor of the Exchequer announced a package of savings to be made across government in 2015/16, the current financial year, to reduce public debt. These savings amount to £3 billion across government and include £200 million to be saved from the public health grant. This was not confirmed until early November when the council received confirmation that the local public health budget would be reduced by 6.2% which in financial terms translates to an in year reduction of £1.290m.
- 4.4. Before the start of the financial year, public health's contribution to the council's savings target had been identified as £0.760m; due to the nature of our grant funding this was set at a lower % level than other directorates. In line with DH grant conditions, the public health directorate took responsibility for many public health contracts and activities that previously had been carried out by other council departments and funded through the council's net budget. Those departments then had their budgets reduced accordingly as follows:

£0.275m – Children's services
£0.250m – Adult social care
£0.100m – Sports development
£0.085m – Transport
£0.050m – Housing



- 4.5. The savings to meet the council savings target were achieved through a planned redesign of the contraception and sexual health service, redesign and reprocurement of the drug and alcohol prevention and treatment services, redesign of the community stop smoking service and a reduction in the exercise referral contract.
- 4.6. Under the terms of the LA grant, underspends are allowed to be carried forward. For the 2014/15 financial year, this amounted to a figure of £0.850m, due to late starting contracts, vacant posts, lower than anticipated delivery of locally commissioned services by general practices and pharmacies and lower than anticipated claims for sexual health treatments for Brighton and Hove residents at hospitals across the country.
- 4.7. Initial plans to use this non recurrent carry over in 2015/16 were quickly put in abeyance following the Chancellor of the Exchequer's announcement on 4th June in order to help meet the budget cut. Additional savings have been identified through delays in starting agreed contracts (sexual dysfunction care pathway and mental health/suicide prevention services); a lower than anticipated take up of the Alcohol Local Commissioned Scheme (LCS) by GP practices; delayed recruitment to a number of already agreed posts (health trainers, public health development and licensing posts).
- 4.8. Future years –the Chancellor of the Exchequer's Spending Review described average annual real-terms savings of 3.9% to the public health ring-fenced grant over the next five years. A recent letter from Duncan Selbie, Chief Executive, Public Health England, provided additional clarification, that in addition to the 6.2% in year grant cut already applied, there would be the following % savings over the next 4 years: -
- 2016-17 2.2%
- 2017-18 2.5%
- 2018-19 and 2019-20 2.6% in each year
- 4.9. The exact figures won't be confirmed until the Local Government Financial Settlement which is usually published in mid-December. The level of Council target savings that are expected from the public health directorate over the next four years are known and we will endeavour to meet these alongside our reduced grant funding. We have a four year service and financial plan that sets out how we will achieve savings of over £3.5 million by 2020 and this was presented to Policy & Resources Committee on 3rd December 2015. We anticipate that as a result of the combined cuts public health will be working with approximately 25% less funding by 2020, which equates to approximately £6m.

- 4.10. The two largest public health budgets: commissioning contracts for sexual health and for drug and alcohol services both achieved savings as a result of a re-design of the first and a re-procurement of the second which were put in place as of April 1st 2015. It is proposed that public health nursing services (children 0-19) will be re-designed / re-procured next year with a view to a new service, with savings, being in place as of April 1st 2017. As most of the budget is spent on commissioned services, the planned savings will come from re-commissioning these services and as the new contract for the two largest services came into being on 1st April 2015, new savings will be targeted at the mid point of this 4-year budget cycle.

5. Important considerations and implications

Legal

- 5.1 Notwithstanding the anticipated reductions in funding described in the report the statutory duties in respect of health and wellbeing have not changed.

The extent to which the savings required are achievable by cuts to particular services will need to be considered on their merits against usual administrative decision making principles, and where appropriate informed by equalities impact assessments.

Lawyer: Natasha Watson

Date: 3 December 2015

Finance

- 5.2 These are contained in the main body of the report.

Finance Officer: Mike Bentley Date: 3rd December 2015

Equalities

- 5.3 The funds to meet the unexpected in year savings required from the public health grant have been identified without having to directly reduce ongoing local services. Proposed savings for future years will be subject to Equality Impact Assessments as part of the budget setting process.

Sustainability

- 5.4 The reduction to the overall public health grant would be expected to have an impact on the long-term sustainability of services. This will need to be addressed through commissioning plans and joint working with partners.

