

INITIAL BUDGET PROPOSALS 2015/16

DIRECTORATE: PUBLIC HEALTH

Service context

On 1st April 2013 Local Authorities took the lead from NHS for improving the health of their local communities. As responsibilities transferred to the council so have the staff, existing funding commitments and contacts. The Department of Health has provided a protected ring-fence grant in order to drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health. The funding allocations support the Government's vision of helping people live longer, healthier and more fulfilling lives and tackling inequalities in health. For Leeds this funding is to be used to help implement the Leeds Health and Wellbeing strategy, including the four commitments plus the public health aspect of the Best Council plan.

Contracts

There were around 70 public health contracts, valued at approximately £31m, which transferred to the council in April 2013. Public Health commissions a wide range of providers to deliver public health services, these include; GPs, Pharmacies, Leeds Teaching Hospitals NHS Trust, Leeds Community Healthcare NHS Trust, Leeds and York Partnership Foundation NHS Trust, as well as other NHS organisation, such as St Martin's Healthcare and a range of 3rd sector providers.

A key decision to waiver contract procurements rules to award contracts to the same providers for 2014/15 was supported to allow time for phased approach to re commissioning. All contracts that are not part of the current re procurement plan are part of a key decision to invoke the provision to extend by one year for 2015/16. This will allow the time needed to re-commission and procure all contracts using the Councils procurement processes, with the aim of improve outcomes and more cost effective services. By using this process we are creating the opportunity to package bundles of services for procurement on the open market and work within the council's 'transforming procurement programme' through the category plan approach. This will lead to reduced costs of procurement and provide opportunities for alternative delivery mechanisms for providers such as consortia which enable back office/overhead savings for the services. The cost of contracts in 2015/16 will be approximately £31m

During 2014/15 there have been two major programmes of work underway to re-commission and procure and a third about to start:

- Sexual Health Services – a new integrated sexual health service provided by a Consortia of NHS and third sector organisations is expected to be in place by July 2015. The current budget is £6.6m. Sexual health is a mandatory function for the council.
- Drugs & Alcohol treatment services – a new integrated service provided by a consortia led by the third sector organisation is expected to be in place by July 2015. The current budget is £8.4m. Recent guidance from the Department of Health has put drug and alcohol treatment services as near to an additional mandatory responsibility as it can without recourse to a legislative change.

- Re-commissioning and procurement of a number of healthy living services including smoking cessation, healthy weight and healthy living support and advice will commence in 15/16. This will produce Healthy Lifestyles Services, for Leeds, details of expected savings is still to be worked up.

The Public Health grant is also used to fund current Council Services this amounts to £3.5m and includes funding to Children's Centres £988k, Healthy Schools £222k, Substance misuse £591k, Active lifestyles £369k and Sexual Health Skyline project £289k. A further £120k is used to fund the public health contribution for corporate and democratic services.

In addition from October 2015, funding and contract responsibility for 0-5yrs public health service (health visiting services and the Family Nurse Partnership) will transfer from NHS England to the Council. The provider of these services is Leeds Community Healthcare NHS Trust. Work is underway with NHS England to co-commission these services from April 2015, with the Council taking full responsibility from October 2015. Agreement has been reached with the NHS England West Yorkshire Area Team on what funding should be transferred to the Council. National confirmation of funding to be transferred has now been delayed by the Department of Health but is expected in the New Year. However, based on information previously supplied, it is estimated that the additional cost and grant to fund this will be approximately £4.8m.

Staff

The Public Health Leadership Team continues to review its structure against the Council's organisational design principles. As a result there has a 23% reduction of JNC posts from what would have occurred from the original structure of planned posts pre April 2013; this has been reflected in the budget. In April 2014 20.5 fte's transferred to Public Health from Environments and Housing.

Budget proposals

The council's Office of the Director of Public Health is responsible for a ring-fenced grant of £40.5m for 2015/16, identical to the grant for 2014/15. This grant comes from the Department of Health (DoH) which has announced that there would no uplift for 2015/16 which means that Leeds is about £6m below the target funding identified for Leeds by the DoH based on need. Priorities will be on the successful mobilisation of the new re-commissioned sexual health and drugs & alcohol treatment services; ensuring a smooth transfer of commissioning responsibilities from NHE England to the Council of the health visitor & Family Nurse Partnerships service. Work will continue to align responsibilities and finance between the Council and other agencies for those services that are still unresolved post the NHS re-organisation. Following successful actions in 2014/15 this is essentially down to just TB services and Hepatitis treatment.

Specific priorities for the public health budget have been determined by the significant financial pressures faced by the Council:-

- To provide a further £1.25m to maintain current important Council Services that contribute to the public health agenda, resulting in 12.5% of the public health grant being used in this way:
 - £750k Neighbourhood Networks
 - £500k Children's Centres

- The £1.25m savings required will be found by a mixture of recurrent funding (£750k) and non-recurrent funding (£500k) to be carried forward from 2014/15. The reduction in recurrent budgets includes:-
 - Department of Health Leeds PCT legacy balance now not required in 2015/16
 - Responsibility for adult weight management has transferred to the CCG's and so no future expenditure will be required
 - PPPU commissioning support budget savings
 - Programme budget reductions for social marketing
 - Activity based contracts budget reductions on NHS health checks
 The anticipated underspend from 2014/15 includes:-
 - Staff budget reductions due to delays in recruitment
 - Delays in the full implementation of the Baby Steps programme to support mothers and the pharmacy NHS health check programme have resulted in one-off in year savings
 - Reductions in activity based contracts for sexual health services and drug treatment diagnostics. Due to the review and re-procurement of these services, these savings will not recur in future years.

- In addition, there are a number of changes to the budgets required within Public Health. These include:-
 - Increased costs on Children's dental health programmes, mental health / suicide prevention and project management costs around the new Healthy Lifestyles procurement
 - Reduced costs on staffing, drugs diagnostics, Leeds Lets Change, Niche Tobacco, Beat the Street and health trainers

- The recurrent savings required from 16/17 (£500k) will be found from anticipated savings from the re-commissioning of drugs and alcohol treatment services, sexual health services, and proposed re-commissioning of health lifestyle services.
- The National Institute of Excellence (NICE) is about to endorse a new alcohol treatment medication. The Council will need to fund this (in the same way the NHS has to comply with the same type of NICE instruction). This will need to be closely monitored as cost pressures will build over time and will be tested out against our rather crude current cost estimates – perhaps £100k for the first half year but potentially rising to £500k per year.
- Public Health strategic commissioning priorities have been developed in order to develop a clear plan for priorities to re commissioning and procure. These priorities have been aligned to the Council's Adults and Public Health category structure. In addition to Sexual Health and Drugs and Alcohol public health have worked across the Council with other directorates to re commission Advice Services and Fuel Poverty/Winter warmth contracts.

Work is also underway to review domestic violence and a healthy lifestyles service (Smoking, Healthy Weight and advice) in order to provide better outcomes and more cost effective services.

Key Risks

- The Office of the Director of Public Health is responsible for 24 contracts which are activity based, there is a risk based on the possibility of fluctuation in these contracts according to activity levels the funding of which is determined by NHS tariff costs.
- Risk of unanticipated emergency situation, such as a flu pandemic, in terms of costs that would have to be met by the council.
- The NICE endorsed alcohol treatment provides a new treatment cost pressure
- Failure to realise sexual health and drugs and alcohol saving to meet the 16/17 recurrent saving requirement.
- Risk of failure to recoup costs for genitourinary medicine (GUM) treatment for out of area provision. This is due to national chaos on the provision of GU services for patients outside their place of residence and the need to charge each individual Local Authority.
- Risk of activity and cost increases for sexual health devices - Implants and Intrauterine Contraceptive device (IUCD) as these are determined by the nationally by the NHS
- Risk of increases in costs for prescribing and dispensing in relation to drugs as this is a national NHS agreed tariff

Directorate: Public Health

Pressures/Savings	Grant Funded £m	General Fund £m	2015/16 £m	FTEs	Is this relevant to Equality & Diversity Y/N
Budget Pressures:					
Inflation					
Pay	0.05	0.01	0.06		
Price	0.00	0.00	0.00		
Income	0.00	0.00	0.00		
Full Year Effects of previous decisions					
Re-grading of Supporting People staff		0.01	0.01		
Demand/Demography					
Other					
Charges for services already provided by other directorates					
- Neighbourhood Networks	0.75		0.75		
- Children's Centres	0.50		0.50		
Contribution to cost of Central and Democratic core	0.12		0.12		
Contract costs on 0-5 Transfer from NHS	4.86		4.86		
Children's dental health programme	0.05		0.05		
Mental health / suicide prevention	0.11		0.11		
Healthy Lifestyles procurement	0.06		0.06		
Total Pressures	6.50	0.02	6.52	0	
Savings Proposals:					
Income					
Increase in ring fenced grant to fund 0-5 Transfer	-4.86		-4.86		
Use of grant to fund regrading costs		-0.01	-0.01		
Service Changes					
Reduction in staff costs	-0.13		-0.13	-3	
PCT legacy balance not required in 2015/16	-0.28		-0.28		
PPPU reviews completed during 2014/15	-0.16		-0.16		
Reduction in social marketing costs	-0.05		-0.05		
Adult Weight Management responsibility of CCG	-0.11		-0.11		
NHS Healthcheck - estimated reduction in demand	-0.15		-0.15		
2014/15 Underspend to be carried forward	-0.50		-0.50		
Reductions in small projects	-0.26		-0.26		
Total Savings	-6.50	-0.01	-6.51	-3	
Overall net Saving	0.00	0.01	0.01	-3	