

Briefing Note Cover Sheet



Report Author: Ian Cameron
Tel: 0113 395 2810

Report from:	Director of Public Health
Report to:	Scrutiny Board (Adult Social Services, Public Health, NHS)
Date:	28 July 2015
Subject of Briefing:	Cuts in 2015/16 to the Public Health Grant
Summary and Purpose:	The paper provides an update on the intended national reduction of the Public Health grant. The consultation paper on how these cuts are to be imposed is still awaited.
Report presented for:	<p>Information <input type="checkbox"/></p> <p>Approval <input type="checkbox"/></p> <p>Discussion <input checked="" type="checkbox"/></p>
Does the report contain confidential information?	<p>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>

1.0 Purpose

- 1.1 To update Scrutiny Board members on the intention by the Treasury to reduce the Public Health Grant by £200m across England in 2015/16.

2.0 Main Issues

- 2.1 The consultation paper by the Department of Health on how the cuts are to be implemented has still to be produced. This has been repeatedly stated as imminent and the consultation is expected to last a month. At this stage the £200m cut is a one off. The consultation may make clear whether this is a recurrent cut.
- 2.2 A key question expected is about how the £200m savings are to be divided between local authorities. One option is for there to be a straight percentage reduction and on this basis this would equate to around £3m for Leeds.
- 2.3 Another option is for the reduction to be based on how far a local authority is away from the Department of Health's "target" for funding. The Department of Health has previously acknowledged that because of historical different levels of investment by the NHS, local authorities received from the local PCT funding that may or may not match need. Leeds is still around £6.2m short of its target. In contrast Wakefield is 6% over target. For Leeds, a formula based on distance from target would mean a smaller reduction in funding. However, as we are already in July and there would need to be a formula worked out, the expectation is that the Department of Health will propose a straight percentage reduction.
- 2.4 From October 2015, funding for the 0-5's (i.e. the health visiting service and Family Nurse Partnerships) will transfer from NHS England to local authorities. Full year funding for Leeds will be around £9m. The funding cut proposed in 2015/16 will be on the public health budget prior to this transfer. Therefore the cuts will be imposed on a Public Health budget for Leeds of £40.5m.
- 2.5 Of this £40.5m budget over 85% is spend on commissioned services. This includes those commissioned directly (e.g. school nurses, smoking cessation services, sexual health services, drugs & alcohol services, weight management, NHS Healthchecks etc) with a range of providers including NHS providers, General practitioners, pharmacists and the third sector. Also included are those jointly commissioned with other Directorates in the Council e.g. Neighbourhood Networks with Adult Social Care, Bodyline with Leisure Services, Care & Repair with 'Environments & Housing. Finally, the Public Health grant is used to fund Council run services e.g. Children's Centres, Healthy Schools etc.

- 2.6 The remainder of the budget covers staff, pay and running costs, Leeds City Council overheads and programme budgets. The latter covers a range of activities including cancer awareness campaigns, breast feeding programmes, area health budgets etc.
- 2.7 All aspects of the budget are currently being reviewed for potential savings. In addition, consideration has been given to notice periods and options for contract variations.
- 2.8 The Public Health budget for 2015/16 had already been fully committed and agreed at Full Council. A number of contracts are activity based e.g. attendance at sexual health clinics, drug & alcohol treatment. These plus the national requirement to fund a new alcohol treatment meant there were pressures anyway on the 2015/16 budget.
- 2.9 If, as expected, there is a need to find £3m of savings in 2015/16, then difficult decisions will need to be made. Discussions continue with the Executive Member for Health, Wellbeing and Adults.

3.0 Corporate Considerations

- 3.1 Staff from Strategy & Resources are involved in the discussions. There is awareness of the potential implications for jointly commissioned and Council run services.

4.0 Conclusions

- 4.1 The consultation by the Department of Health on the implementation of the Public Health grant funding reduction is still awaited and there may be clarity on whether this becomes a recurrent reduction. Work is underway on the options for a £3m cut if, as expected, a straight percentage cut is imposed.

5.0 Recommendations

- 5.1 That the Scrutiny Board considers this update and determines any future Scrutiny actions or activity.