

Julie Robinson
COO/Deputy CEO
St Anne's Community Services
Head Office
6 St Mark's Avenue
Leeds
LS2 9BN

Dr Ian Cameron
Director of Public Health
The Office of the Director of Public
Health
Civic Hall
Leeds
LS1 1UR

10 February 2016

Dear Julie

Public Health Cuts St Anne's Residential Detox and Rehab

As a valued provider of Public Health services I would like to take this opportunity to update you on the latest information on the Public Health grant cuts and the implications for your existing contract/s.

When Public Health transferred from the NHS to local authorities, councils were promised that there would be a move towards the Government's own target allocation for the Public Health Grant based on the needs and size of the population being served. In the first year after the transfer, we did receive a 10% increase in the Grant, in line with the Government's promise. Disappointingly, in the second year there was no uplift and the Grant was frozen at 2014/15 levels. Leeds is still £6.8m (14.4%) below the Government's target allocation from the Department of Health to equitably meet the needs of its diverse population of over 750,000 people. Then two months into this financial year, the Treasury announced a further in-year cut to the Grant.

On 4th November 2015 the Department of Health finally issued the Government's response to the consultation on their in-year cuts to the Public Health Grant. The result is a flat rate cut for all local authorities regardless of need, which means a £2.8m cut for Leeds. This is an in-year cut to Public Health funding and significant work is on-going to enable these cuts to be implemented in the current financial year.

The announcements made in the Comprehensive Spending Review on 26th November 2015 have confirmed there will be future significant cuts to the Public Health Grant. We will only get full details of the specific allocation for Leeds towards the end of January 2016. As a result of this announcement we now need to put plans in place to deliver these savings as the Government will simply remove the funding from the grant provided to Leeds City Council for our Public Health services.

Unfortunately, there is no simple or straight forward solution to the significant financial challenges facing the reduction in the council's Public Health Grant. Some very difficult decisions have to be made about all committed funding including our existing commissioned services to ensure that the council can meet the required budget cuts in 2016-17 and onwards.

As a Provider of key public health services with a contract/s due to expire on 31st March 2016, the council intend to offer an extension to your contract/s with a 5% cut in the value for

a further year until 31st March 2017. This is subject to final approval by the Council. We are fully aware this is very difficult information to receive however we have no alternative but to seek support from Providers to enable us to make this reduction in spending in line with the government's reduction in our Public Health grant.

The consequences of this reduction on your contract/s value are as follows:

Current contract value for St Anne's residential rehab 2015/16: £330,856
5% reduction equates to: £16,543

New contract value for St Anne's residential rehab 2016/17: £314,313

Contract: St Anne's Residential Detoxification Service
Current contract value 2015/16: £297,750
5% reduction equates to: £14,890
New contract value 2016/17: £282,860

We appreciate that this will be a significant challenge for your organisation and we aim to work with you to provide help and support. To avoid doubt, we would anticipate that all other contractual terms and services standards would remain unchanged however, the council would of course, be happy to discuss any proposals you may have for a more efficient and effective service provision.

We place significant value on the Public Health services provided by 3rd sector providers and we are committed to working with partners including the Clinical Commissioning Groups and NHS England to develop plans to commission Public Health services in the future, although this will be based on a reduced budget envelope. All Council tendering opportunities will be published at the appropriate time on www.yortender.co.uk.

If you wish to continue your public health contract(s) from April 2016 to March 2017 based on the new contract value, please will you email publichealth@leeds.gov.uk indicating your acceptance of these new terms. Alternatively if you are unable to continue with the contract for its final year we would also be grateful if you could confirm this in writing to the email address above.

In order to support you at this difficult time your contract manager will be contacting you to discuss the contents of this letter and the implications for your organisation. If you have any additional queries with regard to this matter, please do not hesitate to contact our Business Manager Lynne Hellewell at lynne.hellewell@leeds.gov.uk.

Yours sincerely,



Councillor Lisa Mulherin
Executive Member for Health & Wellbeing &
Adult Social Care
Chair of the Health & Wellbeing Board for Leeds



Dr Ian Cameron
Director of Public Health
Leeds City Council