

# Leeds Health & Wellbeing Board

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## Report of Director of Public Health

## Report to the Leeds Health & Wellbeing Board

Date: 12 January 2016

## Subject: Future cuts to Local Authority public health funding

Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

1. The government Spending Review and Autumn announcement on November 25<sup>th</sup> will lead to significant reductions in the public health grant received by Leeds City Council.
2. Details of the specific cuts faced by Leeds will only be announced in January 2016. Present indications are that there be a recurrent reduction of £3.9m from 2016/17 followed by a further £1.1m reduction in 2017/18. This would result in a £5m reduction (10%) by the end of 2017/18 and would be followed by smaller reductions in subsequent years.

## Recommendations

The Health and Wellbeing Board is asked to:

- Recognise the scale and potential negative impact for health & well being and the reduction of health inequalities that arise from the public health grant cuts announced in the Spending Review and Autumn Statement.
- Consider how best to minimise the negative impact of the public health grant cut in light of the emerging priorities of the Joint Health & Well Being Strategy, the Best Council Plan and the recent NHS planning guidance.
- Support a partnership approach that works collaboratively to respond to these cuts taking into account the need of the population and the "Leeds pound".

## **1 Purpose of this report**

- 1.1 To update the board on the recent government announcement to cut Local Authority public health funding from 2016/17 onwards.

## **2 Background information**

- 2.1 On 1<sup>st</sup> April 2013 local authorities took the lead from the NHS for improving the health of their local communities. As responsibilities transferred to the council so did staff, existing funding commitments and contracts. The Department of Health provided a protected ring-fenced public health grant in order to drive local efforts to improve health and wellbeing by tackling the wider determinants of poor health. The funding allocation supported the Government's vision of helping people live longer, healthier and more fulfilling lives and tackling inequalities in health. For Leeds this funding has been used to help implement the Leeds Health & Wellbeing strategy, plus the public health aspect of the Best Council plan.
- 2.2 The public health grant was provided to give Local Authorities the funding needed to discharge their new public health responsibilities. The Department of Health expects that these funds are used to:

- improve significantly the health and wellbeing of local populations
- carry out health protection functions delegated from the Secretary of State
- reduce health inequalities across the life course, including with hard to reach groups
- ensure the provision of population healthcare advice  
(*Department of Health, ring-fenced public health grant, 2013*)

The Department of Health has set out the council's public health commissioning responsibilities, and made a number of services mandatory:

- tobacco control and smoking cessation services
- public health services for children and young people aged 5 – 9 (including Healthy Child Programme 5-19)
- the National Child Measurement Programme
- interventions to tackle obesity such as community lifestyle and weight management services
- locally-led nutrition initiatives
- increasing levels of physical activity in the local population
- NHS Health Check assessments
- public mental health services
- dental public health services
- accidental injury prevention
- population level interventions to reduce and prevent birth defects
- behavioural and lifestyle campaigns to prevent cancer and long-term conditions
- local initiatives on workplace health
- supporting, reviewing and challenging delivery of key public health and NHS delivered services such as immunisation and screening programmes

- comprehensive sexual health services (including testing and treatment for sexually transmitted infections, contraception outside of GP contract and sexual health promotion and disease prevention)
- local initiatives to reduce excess deaths as a result of seasonal mortality
- the local authority role in dealing with health protection incidents, outbreaks and emergencies
- public health aspects of promotion of community safety, violence prevention and response
- public health aspects of local initiatives to tackle social exclusion
- local initiatives that reduce public health impacts of environmental risks

Public Health Mandatory Services:

- appropriate access to sexual health
- steps are to be taken to protect the health of the population, in particular, giving the local authority a duty to ensure there are plans in place to protect the health of the population
- ensuring NHS commissioners receive the public health advice they need
- the National Child Measurement Programme
- NHS Health Check assessment

(Department of Health, 2013)

- 2.3 There has been one significant additional public health responsibility since the transfer from the NHS. On October 1<sup>st</sup> 2015, Leeds City Council took on the commissioning responsibility for public health services for 0-5's (covering Health Visitors and Family Nurse Partnership) with the appropriate transfer of funding from NHS England.
- 2.4 The majority (88%) of the public health funding is spent on commissioned services. Public health commissions with a wide range of providers to deliver public health services. These include GP's, pharmacies, Leeds Community Healthcare Trust, Leeds & York Partnership Foundation Trust, Leeds Teaching Hospitals NHS Trust, the Third sector and with Leeds City Council services. The remaining budget covers staff costs, public health programme budgets and Leeds City Council support costs.
- 2.5 The funding transferred to Leeds City Council was based on current NHS funding of public health services. The Department of Health undertook a review of spend across the country and determined a "target" funding per head of population. In view of the historic dominance in Leeds of the hospital sector, Leeds was unsurprisingly well short of target (20% or £10.6m). As a result, Leeds received from the Department of Health the maximum uplift for the 2013/14 and 2014/15 grant allocations. However, this still left Leeds around £6 million short of target. For the 2015/16 grant allocation, there was an expectation that the Department of Health would make further progress on moving to target allocations. In the event the Department of Health announced grant allocations across England would remain the same as 2014/15.
- 2.6 In June 2015, George Osborne announced a £200m cut to the Public Health budget in 2015/16. Following a summer consultation, the Department of Health

announced on November 4<sup>th</sup> that the cut for Leeds would be £2,818,328 (out of a budget of £45.5m).

- 2.7 In October 2015 the Department of Health consulted on a revised target allocation formula for the 2016/17 Public health grant. This was on behalf of the Advisory Committee on Resource Allocation (ACRA) which had been commissioned by the Secretary of State for Health to update the existing public health formula. A number of changes were proposed to the formula including around substance misuse services, sexual health treatment services and the children's 0-5 services. Under the new proposed formula, Leeds would have a small benefit. There are wider potential impacts both positive and negative on other parts of the country. The decision on any new funding formula rests with the Secretary of State for Health and will be incorporated into the decision for the specific grant allocation for Leeds City Council expected in January 2016.
- 2.8 A report to Leeds City Council's Executive Board on 23<sup>rd</sup> September set out the approach to making the £2.8m savings in 2015/16. In the main this was about ceasing intended work (e.g. oral health, cancer awareness, training programmes etc), amending activity based budgets (e.g. NHS Health check), halting staff recruitment and using non-recurrent opportunities. Progress continues to be made to meeting this £2.8m cut by the end of the financial year.

### **3 Main issues**

- 3.1 On 25<sup>th</sup> November 2015, the Chancellor presented the government's Spending Review and Autumn Statement. This indicated that the government will make savings in local authority public health spending with average real – terms savings of 3.9% over the next five years which will manifest in reductions to the public health grant to local authorities. However, it has become apparent that these reductions are in addition to the 6.2% (£2.8m) 2015/16 reduction which will now be made a recurrent cut 2016/17 and beyond.
- 3.2 The Department of Health will announce the specific allocation for Leeds only in January 2016. On the basis of current information, the 2016/17 budget is as below. For 2017/18, the assumption is that there is a further £1.1m cut. This means there is a £3.9m reduction in 2016/17 and a £5m reduction in 2017/18 from the initial 2015/16 grant of £50.5m. There will be further cuts in the years after but of smaller amounts. In other words, the cuts have been front loaded to 2016-18. The ring fence for the grant will continue for the next two years.

	<b>National £'000</b>	<b>Leeds £'000</b>
<b>Original 2015/16 grant</b>	<b>2,801,471</b>	<b>40,540</b>
Add: 0-5 transfer from health	859,526	9,986
	<b>3,660,997</b>	<b>50,526</b>
Less: 2015/16 recurring grant reduction (6.2%)	200,000	2,823
Less: estimated 2016/17 grant reduction (2.2%)	76,142	1,049
<b>Estimated 2016/17 grant</b>	<b>3,384,855</b>	<b>46,654</b>
Total estimated grant reduction in 2016/17	276,142	3,872
Percentage reduction in cash-terms	7.54%	7.66%

- 3.3 The government's announcement to cut public health funding to local authorities, runs contrary to the government's own strategy for public health, Healthy Lives, Healthy people and also contradicts the expected Council contribution to the priorities to improve the nation's health as set out by Public Health England.
- 3.4 In addition, Simon Stevens's Chief Executive NHS England made clear in the NHS Forward View (October 2014) that a "radical upgrade in prevention and public health" was needed to meet the enormous service demand and financial pressures now faced by the NHS. Simon Stevens explicitly called for stronger public health – related powers for local government. This has been followed up by the December 2015 NHS Planning Guidance 2016/17 – 2020/21 where there is a specific requirement for CCG's to include action on prevention in their new Sustainability and Transformation Plans (STP) and an expectation of working closely with local government. Leeds City Council contribution will be diminished by these cuts.
- 3.5 Following the government's announcement of the public health cuts, the Executive Member for Health, Wellbeing and Adults and the Director of Public Health have been considering potential future actions. This has been part of Leeds City Council's overall budget setting process. However, further understanding has emerged of the financial implications specifically faced by Leeds City Council from the Spending Review and Autumn Statement. The result is that the overall budget position for Leeds City Council is becoming more financially challenging than originally anticipated.
- 3.6 In determining where the public health cuts will fall, a key criteria, inevitability, will be achievability. The current view is that there will need to be a two year plan that covers, in total, the £3.9m reduction in 16/17 and the £5m reduction in 17/18 (from the original 2015/16 grant).
- 3.7 Other criteria that could come into the decision making process include likely impacts (on the health & well being of the population, on organisations – directly or indirectly, on demand for services), scale of impact, priorities within the new Health & Well Being Strategy, inequalities, the burden of conditions, evidence of effectiveness, fairness, mandatory requirements, value for money, wider benefits (e.g. social value), contractual obligations, links to other priorities, etc. etc. There

is recognition that equality impact assessments will be required and due process followed.

- 3.8 While difficult decisions will have to be made there are also opportunities for developing stronger links with other commissioners including the Clinical Commissioning Groups and NHS England. The Director of Public Health has already given a commitment to the three Clinical Commissioning Groups in Leeds to work together on future public health services commissioning. At the December Scrutiny Board (Adult Social Services, Public Health, NHS) meeting, Adult Social Care, Public Health and the three Clinical Commissioning Groups presented a joint paper on commissioning of Third Sector services. There could be opportunities to better align funding and streamline commissioning arrangements. For example, the Third Sector representative at the Scrutiny Board meeting highlighted the vast number of contracts that had to be dealt with by one particular Third Sector organisation in Leeds.
- 3.9 Assessing the potential negative impacts on health & well being of these cuts should be part of the process. The cuts to the Public Health grant are occurring with all local authorities in England. The Director of Public Health has already had discussions with the Yorkshire & Humber Directors of Public Health and a separate discussion with Public Health England to determine whether there can be a more uniform approach to assessing impact which can be used at local level. Further discussions will be held with Public Health England on this in the New Year.

## **4 Health and Wellbeing Board Governance**

### **4.1 Consultation and Engagement**

- 4.1.1 Stakeholders will be aware that there has been a government announcement on cuts to the public health grant. However, more formal consultation and engagement will now be required. The Scrutiny Board (Adult Social Services, Public Health, NHS) received a verbal update at its meeting on 22<sup>nd</sup> December 2015, having had updates on a regular basis at previous meetings on the 2015/16 cut to the public health grant.
- 4.1.2 Leeds has significant long standing and deep rooted health inequalities within the city. There has, at last, recently been a narrowing in the mortality gap, primarily due to improvements in cardiovascular mortality. There has been a promising reduction in the respiratory disease mortality gap but no progress in the cancer mortality gap. Our ability to build on this fragile progress is potentially undermined by these cuts.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 As proposals are developed formal impact assessments will be required.

### **4.3 Resources and value for money**

- 4.3.1 The specific grant reduction for Leeds City Council will only be known in January 2016. Value for money will be included within the decision making process.

#### **4.4 Legal Implications, Access to Information and Call In**

4.4.1 Leeds City Council does have a number of mandatory public health functions that will need to be taken into account. There are no access to information and call-in implications arising from this report.

#### **4.5 Risk Management**

4.5.1 There is a risk that service reductions will impact negatively on the health & well being of the populations previously served and potentially increase health inequalities within the city.

### **5 Conclusions**

5.1 The specific details on the public health grant cuts for Leeds City Council are still awaited. At present there looks to be a 10% cut (£5m) by 2017/18. This will be challenging and to minimise the negative impact on the health & well being of the people of Leeds, a partnership approach is required, in particular with the Clinical Commissioning Groups.

### **6 Recommendations**

6.1 The Health and Wellbeing Board is asked to:

- Recognise the scale and potential negative impact for health & well being and the reduction of health inequalities that arise from the public health grant cuts announced in the Spending Review and Autumn Statement.
- Consider how best to minimise the negative impact of the public health grant cut in light of the emerging priorities of the Joint Health & Well Being Strategy, the Best Council Plan and the recent NHS planning guidance.
- Support a partnership approach that works collaboratively to respond to these cuts taking into account the need of the population and the “Leeds pound”.