

HAMPSHIRE COUNTY COUNCIL

Decision report

Decision Maker:	Executive Member for Adult Social Care and Public Health
Date of Decision:	27 January 2015
Decision Title:	Revenue budget report for Public Health for 2015/16
Decision Reference:	6444
Report From:	Director of Public Health and Director of Corporate Resources

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1. Executive Summary

- 1.1. The purpose of this report is to set out proposals for Public Health for 2015/16 in accordance with the Council's Medium Term Financial Strategy (MTFS) reported to Cabinet in July 2014.
- 1.2. The County Council's early action in tackling its forecast budget deficit over the current Comprehensive Spending Review (CSR) period and providing funding in anticipation of the tougher times to come, placed it in a very strong position to produce a 'steady state' budget for 2014/15 and give itself the time and capacity to develop and implement the next phase of savings by 2015/16.
- 1.3. The budget for 2014/15 that was approved at this stage last year included savings plans for the 2015/16 financial year in order that these could be implemented during the current financial year so that, wherever possible, savings would be fully in place by April 2015. As Public Health is funded by a ring-fenced grant, these savings plans did not have a direct impact on the expenditure plans for public health.
- 1.4. The report also provides an update on the financial position for the current year. For Public Health, the outturn position is forecast to be within its ring-fenced grant.
- 1.5. The proposed budget for 2015/16 analysed by area of activity is shown in Appendix 1 and the workforce implications of the budget proposals are set out in Appendix 2.
- 1.6. This report seeks approval for submission to the Leader and Cabinet of the revised budget for 2014/15 and detailed service budgets for 2015/16 for Public Health. The report has been prepared in consultation with the Executive Member and will be reviewed by the Health and Adult Social

Care Select Committee. It will be reported to the Leader and Cabinet on 6 February 2015 to make final recommendations to County Council on 19 February 2015.

2. Context and Priorities

- 2.1. The Health and Social Care Act (2012) transferred NHS Public Health responsibilities from Primary Care Trusts (PCT) to a new national public health system that consists of Public Health England (PHE), the NHS Commissioning Board (now known as NHS England) and local authorities. The Act requires that each unitary and upper tier local authority act as the local leaders for the public's health and take on a new duty to take steps it considers appropriate for improving the health of the people in its area.
- 2.2. A ring-fenced public health grant enables local authorities to discharge this responsibility, and for 2014/15 this amounted to £40.428m. For 2015/16 this will reduce slightly to £40.363m to reflect the correction of an erroneous addition of £65,000 within the 2014/15 allocation, for a NHS England public health responsibility. As such, the Public Health grant has been protected from real term cuts for next year.
- 2.3. The ring-fenced grant allocation formula was informed by both historic levels of investment in Public Health and the local health need. In the future this is expected to be influenced by the Health Premium Incentive scheme, which will reward local authorities for progress made in improving the health of the local populations (as evaluated against specific agreed measures within the Public Health Outcomes framework (PHOF)), taking in to account health inequalities. Part of the future allocation may be predicated on achievement against these measures.
- 2.4. On 1 October 2015 responsibility for 0-5 children's public health commissioning (part of the Healthy Child Programme) will transfer to the County Council from NHS England (Wessex). For 2015/16, the public health grant will therefore also include additional funding equivalent to the cost of commissioning these activities for the last six months of the year (a proposed allocation of £8.843m), with NHS England retaining funding for the remainder. From 2016/17 the allocation is expected to move towards a distribution based on population needs.
- 2.5. As part of the ongoing transformation programme across the County Council, Public Health has been developing service plans and budgets for 2015/16 and future years in keeping with the County Council's priorities and the key issues, and challenges and priorities for the department are set out below.

3. Departmental Challenges and Priorities

- 3.1. Key priorities for Public Health include using public health resources efficiently to deliver the mandated services in the context of the needs of Hampshire's residents. This includes delivering quality assured NHS healthchecks to support reduction in demand for chronic disease services across health and social care, ensuring the school nursing service can

deliver the national child measurement programme and enabling our residents access to comprehensive sexual health services as well as the direct advice and leadership by our professional public health workforce to protect the population's health and advice to our NHS commissioners in Clinical Commissioning Groups (CCGs).

- 3.2. Effective use of resources to support healthy children through a range of interventions including school nursing services and parenting programmes remain important, as do co-ordinated primary and secondary prevention through appropriate nutrition, education and physical activity to develop our future employable and self reliant citizens. Addressing social exclusion and the public health aspects of domestic abuse and community safety for people of all ages and supporting the health and social care interventions for people as they age and become more vulnerable remain important. Poor lifestyle choices being made by adults are already seen to be having a significant cost impact for public services, and with an aging population this is likely to worsen over time.
- 3.3. Building on the work completed already as part of the 'Transforming the Council to 2015 Programme', the Council will continue to explore how Public Health is able to contribute toward maximising further opportunities for Health and Social Care integration through the 'Transforming the Council to 2017' programme of work. The need to control and reduce current levels of demand for county council services, such as adult and children's social care, will be critical during the coming years and Public Health has a crucial role in minimising this demand through helping the residents of Hampshire to remain healthy and well for a greater proportion of their lives. With this in mind the Council's Public Health strategy will include a focus on reducing the risk of dementia and long term conditions impacting adults, supporting the health and wellbeing of families in Hampshire and improving workplace health, through delivery of some targeted initiatives.
- 3.4. October 2015 sees the completion of the transfer of the commissioning responsibility for children's public health with 0-5 year olds coming to local authorities from NHS England. In practice, while this encompasses the Healthy Child Programme, the transfer includes responsibility and resources for established contracts for the Health Visiting service and Family Nurse Partnership (a targeted evidence-based preventative programme for vulnerable first time mothers).
- 3.5. In preparation for this transfer the council has worked closely with NHS England to confirm the value of grant funding required to meet the financial commitments of these established contracts, and in December 2014 the Department of Health announced proposed funding allocations for the final six months of 2015/16¹ (£8.843m).

¹ The final value of the additional grant allocation to support the transfer of 0-5 children's commissioning may vary from the proposed value currently included in the 2015/16 budget.

- 3.6. Work will continue over the coming months to ensure the safe transfer of these responsibilities and contractual arrangements, in preparation for the 1 October 2015.

4. 2014/15 Budget

- 4.1. The budget for Public Health has been updated throughout the year and the revised budget is shown in Appendix 1. The expected outturn forecast for 2014/15 is within the ring-fenced grant.
- 4.2. This included a number of one-off or short-term funding proposals that had been agreed previously by the Executive Member and/or Cabinet for 2013/14 and 2014/15, which focussed upon short-term measures to improve the health of Hampshire citizens, working towards key public health outcome measures, aligning with existing Council priority programmes and maximising transformational opportunities across the Council.
- 4.3. These funding agreements were met from within the 2013/14 and 2014/15 grant allocations, and have now either been formalised into the 2015/16 budget proposals, or have been intentionally short-term with exit strategies.
- 4.4. Whilst it is acknowledged that the grant is intended to be used within year, the forecast outturn as at the end of quarter 2 indicated that the 2014/15 grant will be underspent by in the region of £3.7m due to a number of anticipated underspends across several public health budgets. It is therefore likely that plans to use the 2014/15 grant allocation will not be fully implemented before the end of March, and any balance which remains unspent will be fully committed but carried forward into 2015/16.

5. Budget 2015/16

- 5.1. The budget update report presented to Cabinet in December included provisional cash limit guidelines for each portfolio, and this included within Policy and Resources a cash limit for Public Health of £40.428m.
- 5.2. Since this report (and as noted in section 2), confirmation has been received that the core Public Health ring-fenced grant will be reduced by £65,000 to £40.363m during 2015/16, to reflect the agreed adjustment for a baseline error included in the previous years grant allocation. In addition, notification has been received of the proposed 2015/16 additional allocation for the transfer of responsibility for 0-5 children's commissioning (£8.843m) to the council (final allocation subject to change).
- 5.3. These adjustments have therefore been included in the proposed budget, resulting in a net increase in the cash limit for Public Health from £40.428m to £49.206m.
- 5.4. Appendix 1 sets out a summary of the proposed budgets for the service activities that will be provided by Public Health during 2015/16. As part of this proposed budget, the opportunity has been taken to incorporate a number of activities previously agreed to be funded on a one-off or short-term basis. The review and re-procurement of existing service and

contractual commitments is an on-going process, in order to ensure the best use of resources to optimise outcomes for the residents of Hampshire.

- 5.5. On 15 December 2014, a report was presented to the Cabinet which outlined the Public Health priorities for Hampshire County Council (report reference 6335). This report noted that a Public Health strategy for Hampshire was in the process of being developed, and would be brought back to the Cabinet for their consideration in the spring of 2015. A further review of anticipated commitments and the distribution of the Public Health grant funding (within the overall cash limited budget proposed), will therefore also be undertaken to reflect the strategy, to ensure that funding allocations continue to support the Public Health priorities for Hampshire. Any proposed changes to the budget allocations outlined in Appendix 1 will be brought back to the Executive Member for Adult Social Care and Public Health for consideration and approval.
- 5.6. Public Health will also begin to shape and deliver some specific short, medium and long term evidenced based programmes of intervention and prevention as part of the Public Health strategy, which will include initiatives such as nutrition, physical activity, promoting healthy lifestyles of families, reducing the risk of dementia as well as supporting people in the workplace to be healthier. These initiatives will be fully described in the Public Health strategy.

6. Review of charges

- 6.1. The Public Health budget currently includes no income from fees and charges. The NHS Act (2006) generally prevents charging unless exempted through regulations. However, charging for training and other alternative incomes streams from other local authorities is being actively explored. For example provision of a public health local authority responsibility offer.

7. Workforce implications

- 7.1. The workforce implications of the proposed budget for 2015/16 are set out in the table below. At the end of 2015/16 the planned workforce for Public Health is 33.0 full-time equivalent (FTE) staff. This compares with the estimate at the end of 2014/15 of 31.0 FTEs, which is a net increase of 2.0 FTEs as summarised below:

	FTEs
FTE staff as at 31 March 2015	31.0
Changes relating to transfers to Public Health and other minor FTE amendments	+2.0
FTE staff as at 31 March 2016	33.0

8. Recommendations

To approve for submission to the Leader and Cabinet:

- 8.1. The revised budget for 2014/15 (as set out in Appendix 1).
- 8.2. The summary budget for 2015/16 (as set out in Appendix 1).
- 8.3. The workforce implications of the proposed budget for 2015/16 (as set out in Appendix 2).

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	
Corporate Business plan link number (if appropriate):	
Maximising well-being:	
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Revenue Budget Report for Public Health 2014/15	5532	28 January 2014
Public Health Priorities for Hampshire	6335	15 December 2014
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>
Health and Social Care Act 2012		N/A

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document
None

Location

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.2.1. Departments have carried out a screening for equality impact on all budget decisions. This work was supported by trained equalities leads and service managers and was approved by Departmental management teams.

1.2.2. This identified that there is unlikely to be an impact on staff or services as a result of these budget proposals. However, each service or programme is individually assessed and should any impact be identified, would therefore have individually focused mitigating actions put in place.

1.2.3. All Public Health interventions are aimed to improve health and reduce inequalities of all types for all population groups, and EIA and health impact assessments will be undertaken for individual work programmes. The Public Health strategy will inform future shaping of the use of the public health resource.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are designed to support community cohesion and the prevention of crime, for example the spend committed to supporting the reduction of substance misuse and domestic violence.

3. Climate Change:

3.1.1. How does what is being proposed impact on our carbon footprint / energy consumption?

There are no specific proposals that impact on the County Council's carbon footprint / energy consumption but where service changes are being considered they will take this in to account.

3.1.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

There are not specific proposals that directly relate to climate change issues.

**Public Health
Budget summary 2015/16**

Activity	Original Budget 2014/15 £000	Revised Budget 2014/15 ² £000	Proposed Budget 2015/16 £000
Central Public Health	2,349	2,416	2,482
Information and Intelligence	39	39	39
Nutrition, Obesity and Physical Activity	1,810	2,636	1,594
Drugs and Alcohol	9,439	9,479	9,475
Tobacco	3,149	3,149	3,149
Dental	180	180	180
Children 5-19	6,161	4,121	4,121
Healthchecks	1,447	1,447	1,527
Miscellaneous Health Improvement and Wellbeing	4,204	5,851	6,351
Sexual Health	11,534	11,534	11,329
Infection Prevention and Control	116	116	116
Sub-total of core Public Health grant	40,428	40,968	40,363
Transitional funding	0	37	0
Proposed grant funding for public health commissioning responsibilities for children aged 0-5 ³	-	-	8,843
Total government grant	40,428	41,005	49,206

² Revised budget for 2014/15 includes £540,000 of anticipated draw-down from 2013/14 underspend and £37,000 'Transitional' funding.

³ Proposed part-year allocation for transfer of public health commissioning responsibilities for children aged 0-5 (with effect from 1 October 2015), is subject to final confirmation and therefore change.

**Public Health
Workforce implications**

Service	Estimated Staff Numbers (full-time equivalent) 31.3.2015	Transfers & Other Changes (full-time equivalent)	Estimated Staff Numbers (full-time equivalent) 31.3.2016
Public Health	31.00	+2.0	33.00
Total Public Health	31.00	+2.0	33.00