



<u>Committee and Date</u>
Health and Adult Social Care Overview and Scrutiny Committee
24 <sup>th</sup> September 2018

<u>Item</u>
<u>Public</u>

## Public Health Grant: 2018 – 2020

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### 1. Summary

- 1.1 Along with other local authorities Shropshire Council receives an annual Public Health Grant to fund those services that it was given commissioning responsibility for by the Health and Social Care Act 2012, and were transferred to it in April 2013. These services range from Health Visiting and School Nursing to specialist services such as Genito-Urinary Medicine and Substance Misuse Treatment as well as a number of health promotion programmes such as smoking cessation and Health Checks.
- 1.2 Shropshire Council receives the lowest per capita allocation in the West Midlands Region and one of the lowest in the country at £39 per resident. This allocation compares to the national average grant of £59 and the highest allocation to the London borough of Kensington and Chelsea of £135 per resident. The Department of Health acknowledges that Shropshire receives less funding than the target allocation that the Department identified in 2013. As part of the Government's austerity strategy it has implemented cuts to local government funding. This has included the Public Health Grant and over the last three years there has been a reduction in funding of around 2.3% per annum. (Appendix 1 sets out the financial history of the grant in detail.)
- 1.3 As part of Shropshire Council's Financial Strategy 2019/20 – 2021/22 it has been requested that the use of the Public Health Grant is reprioritised to assist the Council achieve a balanced budget and reduce the pressures faced by Adult Social Care and Children's Services. Set out in this paper is a summary of the joint work being undertaken by officers to identify possible areas where current investment may be reprioritised.

### 2. Recommendations

- 2.1 It is recommended that members

Note the financial and service implications of these proposals

## REPORT

- 3 Current health status of Shropshire's population.

- 3.1 Shropshire's population rates as one of the healthiest in England particularly as it has higher life expectancy rates for males and females than the national average. Whilst health inequalities exist in terms of life expectancy, in general the difference between the rates for the most and least affluent members of our population is generally smaller than the national average rate. A significant factor in the health of our population is our larger proportion of people living beyond retirement age. Due to this factor Shropshire's population is significantly older than the national average, particularly in people over the age of 75 years. As a result of this demographic profile Shropshire faces significant challenges in terms of chronic disease treatment and care. With current demand for health and social care increasing, it highlights the need for effective prevention and health promotion measures that will keep older people healthier for longer and minimise the need for high cost care interventions. (Appendix 2 provides a four page summary of the health profile for our population and our performance against the 32 national Public Health Outcome indicators.)

#### **4 Risk Assessment and Opportunities Appraisal**

- 4.1 As Shropshire receives one of the lowest public health grants in the country its ability to commission the mandated and other devolved NHS programmes to meet the needs of a rural population is limited. The year on year cuts to the Grant have also led to efficiency savings being made and prioritisation of investment in programmes that reflect the health needs of the local population. Reprioritisation of the existing grant to address public health outcomes associated with Adult and Children's Social Care will limit investment in other public health outcomes.
- 4.2 The current uncertainty regarding the future of the Public Health Grant post April 2020 and the likelihood that Local Authorities will be expected to fund devolved NHS programmes from Business Rates and Council Tax, place further financial pressures on the Local Authority.
- 4.3 Closer working with partner agencies may offer an opportunity for greater efficiency and cooperation to achieve shared targets including the public health outcomes.

#### **5 Sexual Health Services**

- 5.1 Public Health England has acknowledged that Shropshire receives the lowest per capita allocation in the West Midlands region and one of the lowest grants in the country. It has also acknowledged that Shropshire faces pressure on its sexual health services due to cross boundary flow of patients travelling from Wales to clinics in the county. Unlike patients travelling from other local authorities in England where a recharge for such NHS services can be made to the host area, no recharge can be made to patients who are resident in Wales. As services in Wales have been reduced in recent years Shropshire has seen an increase in patients accessing services from Powys. As sexual health services such as contraception and Genito-Urinary Medicine are mandated by the Department of Health, Shropshire Council must commission an open access provision. In order to commission a core service and meet the financial constraints being placed on the public health grant two main measures are proposed.
- 5.2 To restrict access to such services to patients resident in Wales to essential provision only, e.g. emergency contraception

- 5.3 To reduce the allocation of grant funding to the service and seeking further efficiency savings. In relation to the restriction of provision to residents from Wales, such action may be open to legal challenge by individual patients or from NHS Wales.
- 5.4 In relation to a reduction in funding for this service, the current provider will need to make efficiencies in its provision of care which may include a reduction in the number and location of the clinics that it provides. Discussion is under way with the current provider regarding such funding changes. This will include efficiency savings from a revised contract for testing of clinical samples and a redesign of prevention services.
- 5.5 Risks: As the Department of Health and Social Care have mandated open access services limiting demand for advice and treatment is difficult particularly if prevention programmes are reduced.

## 6 **Substance Misuse Services**

- 6.1 Whilst the prevention and treatment of alcohol and drug misuse is not a mandated service, Local Authorities are encouraged to commission such services as part of both health promotion and crime reduction measures with partner agencies. Whilst Shropshire does not have as great a problem as some parts of the country the local service currently provides support to over 900 people. As one of the measures to address the year on year reduction in the grant that Shropshire receives the current contract included significant efficiency savings when it was tendered three years ago. Included within these savings was the transfer of some Shropshire Council Social Services staff to the new third sector provider. This transfer released savings in Adult Social Care who had previously employed these staff who would now be funded via the public health grant. It is proposed to undertake a tender for this service during this year and have a new contract in place for April 2019. The tender will be for a reduced some compared to the current contract.
- 6.2 As part of the contract change measures will be included to reduce the need for supervised consumption services from local pharmacies. There will also be a reduction in the number of in-patient detoxification beds purchased and greater use of community detoxification services.
- 6.3 The risks associated with this proposal include:
- There is a limited market of service providers in this field of expertise. Nationally such tenders have attracted only a very small number of tenders, especially in rural areas where economies of scale or shared provision is difficult when compared to rural areas.
  - Service providers may have to restrict service provision to a limited number of geographic centres in order to remain within budget, thereby limiting access to services for patients in rural areas.
  - Waiting times for access to treatment services may increase due to the limited capacity of clinical staff to provide effective treatment.
  - Such restrictions may have an adverse impact on adult and children's safeguarding services as substance misuse treatment services may not be able to accept referrals into treatment.

## 7 **Children and Young People's Health Promotion Programmes**

7.1 Currently the Public Health Grant supports a number of programmes aimed at promoting the health and wellbeing of children and young people. These range from major programmes such as Health Visiting and School Nursing to relatively minor but important programmes such as vision screening.

## 8 **Health Visiting and School Nursing**

8.1 The responsibility for commissioning School Nursing services and the local component of the National Childhood Measurement Programme (NCMP) was transferred to the local authority in April 2013. Responsibility for commissioning Health Visiting services did not transfer until eighteen months later. The current service was put out to tender in XXXX and whilst there were several expressions of interest in the contract only one provider submitted a bid, namely Shropshire Community NHS Trust. The low number of tenders reflects the national uncertainty regarding the future of funding of NHS services when the Public Health Grant ends in April 2020 and the pressures facing local government due to the national austerity measures. The new Shropshire service model was based on achieving service synergies through better use of skill and case mix with the service. The new model also recognised the national and local shortages of nursing staff and the vacancies that the community trust was experiencing at the time. As the current service model achieved a significant saving in comparison to the service that was in place in 2013, further cuts would see a reduction in the support available to new parents and school children.

8.2 Service Risks include:

- Reduced support to mothers experiencing post-natal depression.
- Reduced support for breast feeding mothers
- Reduced support for initiatives enabling school readiness
- Reduced mental health promotion and support for school aged children.

## 9 **Vision Screening**

9.1 A review of this contract has taken place and efficiency savings have been agreed with the current provider that maintain the programme at its current level.

## 10 **Powys Residents**

10.1 Shropshire Council receives funding only for children aged 0-5 years who are resident within the Local Authority Area. The new contract for health visiting only provides for children resident within our boundaries thereby releasing a saving.

Risk: It is possible that this decision will be contested by Powys local authority.

## 11 **Staff restructuring**

11.1 Due to a member of senior staff transferring to Herefordshire Council and the post not being replaced and a restructuring of roles within the public health team, an efficiency saving has been made.

## 12 **Help2Change**

12.1 Help2Change is the Public Health directorate's health promotion provider service. It delivers several services directly itself and also works closely with local GP surgeries and community

pharmacies to deliver other health promotion services. These services include the local component of the national Health Checks screening programme, Smoking Cessation, Weight Loss and Diabetes Prevention programmes.

12.2 Health Checks are a nationally mandated programme that provides a health screen for people aged 40 years and over with an assessment of their health status. The programme targets people who are not already being monitored by their GP for a chronic illness such as diabetes, asthma or heart disease. Health Checks provide two key functions firstly it enables earlier identification of health problems such as High Blood Pressure or to Diabetes, therefore enabling treatment to commence and thus reduce the risk of other conditions such as Stroke or Heart Disease. Its second role is to provide patients with an early indication of potential health problems due to excess weight or a predisposition to diabetes, thereby enabling them to adopt preventative measures.

12.3 The Help2Change service also provides some services on a commercial basis, for example offering occupational health screens to local employers. Such activity has been part of Help2Change's measures to deal with reductions in the national Public Health Grant. This approach is based on having a core of skilled staff who can provided the nationally funded programmes and also use their skills to bring in revenue from the additional programmes.  
Risks:

- The Health Checks programme is nationally mandated and has performance measures for the number of patients screened over the five year cycle. Any reduction in the numbers of people invited to participate or to be screened would result in more individuals developing chronic conditions that could have been identified and treated effectively at an earlier stage.
- Whilst it is possible for the programmes currently provided by Help2Change to be commissioned and provided by external agencies, this approach has been shown to be less cost effective than an in-house model. An in-house service also provides an opportunity for ethical commercial activity that brings in funding to the local authority. The Help2Change service has already reduced the number of staff that it employs through voluntary redundancy and not filling posts that have become vacant.

#### 12.4 **Smoking Cessation**

As part of the planned saving schemes to address the year on year cuts to the public health grant it is proposed to reduce the funding allocated for the provision of Nicotine Replacement Therapy (NRT). The current service is based on the best practice recommendations of the National Institute of Health and Care Excellence (NICE) and consists of provision of NRT and structured counselling. The current smoking cessation service is provided by Shropshire Council's in house team Help2Change. At present this service provides most of the cost of NRT for patients taking part in a structured smoking cessation programme. As an economy measure it is proposed to end the funding of NRT except in special circumstances such as pregnant women. As the cost of a packet of 20 cigarettes currently ranges around £8-£10 a person smoking a packet of cigarettes per day pays between £56-£70 per week on their habit.

12.5 In view of the current funding pressures it is proposed that such service users pay for this "over the counter" product rather than the cost being supported by the public health grant. The risks associated with this approach include:

- A reduction in the number of people seeking support to quit smoking because of the perceived costs.
- A reduction in the number of people successfully quitting smoking due to the costs of purchasing NRT.

## 12.6 **Obesity Reduction Programmes**

12.7 Like other parts of the country Shropshire is seeing an increase in the number of people who are being identified as being significantly over a healthy weight or are obese. Shropshire's Help2Change Service and the Community Health Care Trust have been successful in helping individuals and families to achieve healthier weights. This has been particularly successful in terms of children and young people where Shropshire has bucked the national trend and is seeing a reduction in the levels of obesity that are being measured via the National Childhood Measurement Programme. As part of the reduction in the grant and the continuing pressures on local authority budgets it is proposed to phase out the Family Weight Management programme currently commissioned to help families where excess weight is a family problem.

12.8 The risks associated with this proposal are:

- There will be an end to a programme that has achieved success in helping adults and children achieve healthier weights.
- The numbers of adults and children who are significantly over-weight or obese will increase.
- The risks associated with excess weight such as type 2 Diabetes and heart disease will increase.

## 13 Conclusion

13.1 Shropshire Council receives the lowest per capita Public Health Grant within the West Midlands Region and one of the lowest grants within the country. This grant has been cut year on year by the Department of Health, and if Government proposals are implemented in full the grant will end in April 2020. The majority of Shropshire's public health grant is spent on programmes that are mandated by central government leaving limited flexibility for local initiatives.

13.2 Whilst the overall health of Shropshire's population is better than the national average, it faces significant public health challenges in the rising levels of obesity within its adult population as well as a likely rise in associated long term conditions such as Diabetes and Heart Disease. With Shropshire's age profile such conditions will place greater demands on local health and social care services if not prevented.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
<b>Cabinet Member (Portfolio Holder)</b> Cllr Lee Chapman
<b>Local Member</b>
<b>Appendices</b>

Meeting, date: Report heading

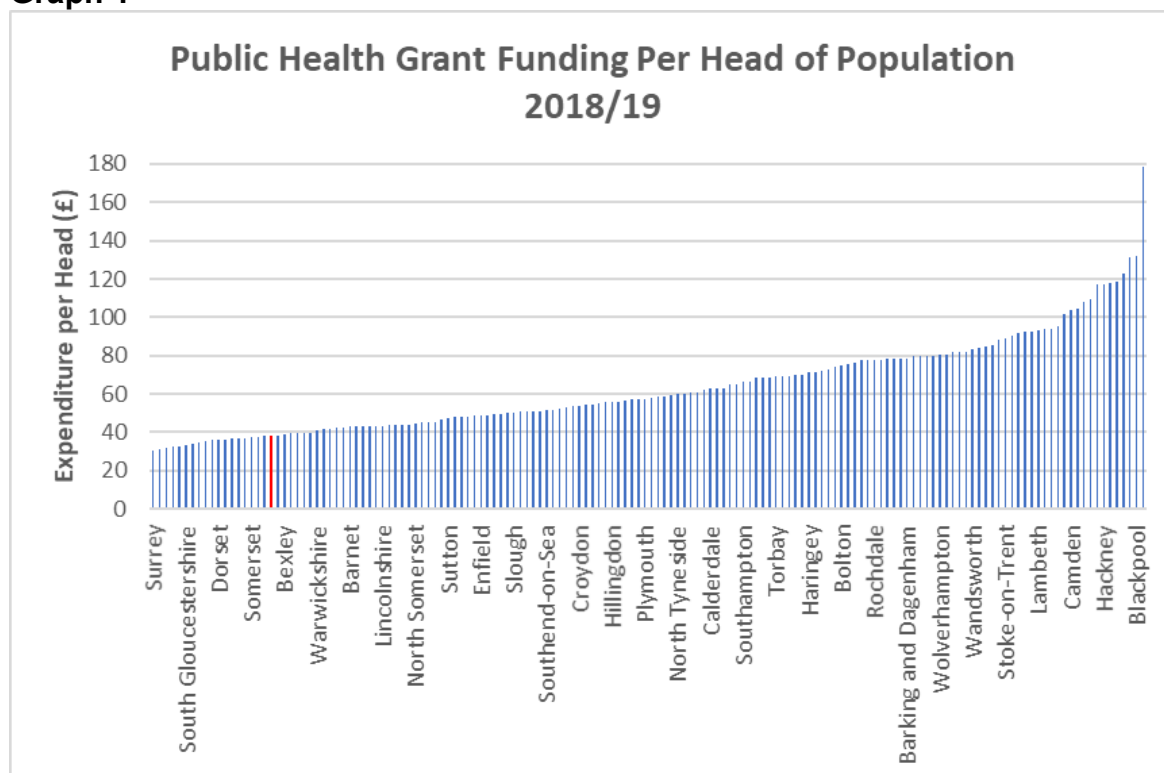
**Appendix 1 – Financial Information**

**Appendix 2 – Local Authority Health Profile 2018**

**APPENDIX 1**

In 2018/19, Shropshire Council has received £12.000m Public Health Grant from the Department of Health. This equates to £38 per head of population. Out of the 152 local authorities in England in receipt of the ring-fenced grant, Shropshire Council has received the 19<sup>th</sup> lowest funding allocation per head of population in 2018/19. Graph 1 shows Shropshire Council's grant allocation per head in comparison with the other local authority recipients of the grant in England. Shropshire Council is represented by the red line. Funding per head allocations range from £30 in Surrey to £179 in London. Shropshire's allocation per head is 40% lower than the average allocation. For comparison, Telford and Wrekin Council's allocation per head is almost double that of Shropshire (£71 and £38 respectively).

**Graph 1**



The ring-fenced grant allocated to Shropshire Council has been subject to annual reductions of between 2.3% and 2.6% per annum since 2015/16, as shown in table 1. The indicative grant for 2019/20 is £11.683m. Assuming that £11.683m is the value received by the Council, the grant received will be £1.238m (9.6%) lower than the grant received in 2015/16

**Table 1**



<b>Shropshire Council Public Health Grant Allocation</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Annual Allocation (£)	12,920,552	12,628,000	12,317,000	12,000,000	11,683,000
Annual Reduction (£)		-292,552	-311,000	-317,000	-317,000
Annual Reduction (%)		-2.3%	-2.5%	-2.6%	-2.6%
Cumulative Reduction Since 2015/16 (%)		-2.3%	-4.7%	-7.1%	-9.6%

The

service areas funded by the ring-fenced grant are fully funded by the grant and do not receive Shropshire Council base budget funding (excluding below the line costs). In order to address the reduction in grant, savings have had to be made annually within the Public Health service areas, in order to ensure that the service operates within the grant available. To date, the grant has reduced by £0.921m since 2015/16, and consequently corresponding savings have been made. Contract budgets have been reduced as a matter of course, the number of staff has reduced, expenditure budgets have been reduced across all service areas, and income generating opportunities have been expanded.

Further to this, pay awards, pay increments and increases to internal market recharges represent an annual cost pressure to the ring-fenced budget as these are not funded by Shropshire Council base budget, but must instead be funded by the ring-fenced grant. The restoration of NJC pay grades for Council staff and the redesign of NHS pay bands will therefore result in a significant cost pressure in 2018/19 and 2019/20.

In addition to the service areas within the ring-fence, the Public Health grant also funds elements of other Council services that contribute towards Public Health outcomes. These services include Early Help, Outdoor Partnerships and Regulatory Services. Table 2 shows the contribution of the ring-fenced grant to other Council service areas since 2015/16.

**Table 2**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Budgeted Contributions to Other Council Services (£)	586,920	586,920	586,920	619,740	tbc
Budgeted Contributions to Other Council Services (% of Grant)	4.5%	4.6%	4.8%	5.2%	tbc

Budgeted contributions to other Council service areas from the ring-fenced grant currently equate to 5.2% of the ring-fenced grant.

Further savings proposals within the ring-fence service areas, as approved by Cabinet below, must free up the grant in order to contribute to further existing Council service areas if they are to benefit the Council's overall financial position. These service areas must meet the ring-fenced grant expenditure conditions; if expenditure cannot be demonstrated to be in support of Public Health outcomes then the grant funding cannot be used to fund the services.

Savings to the ring-fence service areas that have been approved within the Financial Strategies of 10<sup>th</sup> January 2018 and 4<sup>th</sup> July 2018 are shown below in table 3. Savings proposals in 2018/19

equate to 6.9% of the grant received. The cumulative impact of savings proposals in 2019/20 (£2.082m) equates to 17.1% of the 2019/20 grant allocation. If all savings were to be delivered and the existing £0.620m contribution to other service areas were to remain in place, this would mean that £2.702m of the grant would be supporting other service areas within the Council. This would equate to 23% of the 2019/20 grant allocation.

**Table 3**

<b>Financial Strategy</b>	<b>Saving Ref</b>	<b>Description</b>	<b>2018/19 Saving (£)</b>	<b>2019/20 Saving (£)</b>	<b>2020/21 Saving (£)</b>	<b>Total Saving (£)</b>	<b>RAG Rating</b>
10th January 2018	H11	Review of the Stop Smoking service	46,000	0	0	46,000	G
10th January 2018	H12	Additional income generation within Help2Change	80,000	20,000	30,000	130,000	A
10th January 2018	H13	Innovation within Help2Change	63,000	63,000	50,000	176,000	A
10th January 2018	H14	Review of Nicotine Replacement Therapy service	50,000	65,000	0	115,000	G
4th July 2018	H20	Senior management salary saving	30,000	6,000	0	36,000	G
4th July 2018	H21	Vision screening allocation	23,180	0	0	23,180	G
4th July 2018	H22	LAC funding	23,000	0	0	23,000	G
4th July 2018	C18	0-25 PHNS to take over management of one EH Hub	0	75,000	0	75,000	A
4th July 2018	H23	Health Visitor services in Wales	40,000	0	0	40,000	G
4th July 2018	C19	Remove non-mandated activity from current 0-25 PHNS contract	0	380,000	0	380,000	R
4th July 2018	H24	Integrated Sexual Health Services - Pharmacies/School Nurses	0	50,000	0	50,000	R
4th July 2018	H25	Integrated Sexual Health Services - recharge for Welsh residents	67,500	22,500	0	90,000	A

4th July 2018	H26	Pathology tests	0	30,000	0	30,000	R
4th July 2018	H27	Library Contract	5,000	0	0	5,000	G
4th July 2018	A29	Improved service integration - NHS Healthchecks, Help to Quit	69,250	0	0	69,250	G
4th July 2018	A30	Staffing restructure - Help to Change	36,630	38,960	0	75,590	A
4th July 2018	A31	Contract review	21,500	64,500	0	86,000	A
4th July 2018	A32	Roll out of social prescribing with Adults Services Lets Talk Local hubs	135,000	0	0	135,000	A
4th July 2018	H28	Infection Prevention Control	30,000	0	0	30,000	A
4th July 2018	H29	Mental Health Promotion	20,000	0	0	20,000	G
4th July 2018	H30	Specialist Advice	0	12,040	0	12,040	A
4th July 2018	H31	Community Training	26,960	28,000	0	54,960	A
4th July 2018	H32	Inpatient retender	20,000	10,000	0	30,000	A
4th July 2018	H33	Community Drug and Alcohol Service	0	250,000	0	250,000	R
4th July 2018	H34	Prescribing budget	40,000	40,000	0	80,000	A
4th July 2018	H35	Pharmacy supervision	0	20,000	0	20,000	R
<b>Total</b>			<b>827,020</b>	<b>1,175,000</b>	<b>80,000</b>	<b>2,082,020</b>	

Savings have been RAG rated (red, amber green) according to deliverability of savings proposals. A summary of savings based on deliverability is shown in table 4. £0.377m savings are currently rated green, with a high degree of certainty of being delivered. £0.730m savings are currently categorised as red, with significant further work required to deliver them.

**Table 4**

Savings RAG Rating	2018/19 Savings (£)	2019/20 Savings (£)	2020/21 Savings (£)	Total Savings (£)
R	0	730,000	0	730,000
A	520,590	374,000	80,000	974,590
G	306,430	71,000	0	377,430
<b>Total</b>	<b>827,020</b>	<b>1,175,000</b>	<b>80,000</b>	<b>2,082,020</b>

Savings have been grouped by Public Health service area in table 5, to show the impact per service.

**Table 5**

Service Area	Savings Required, as per Financial Strategy (£)			
	2018/19	2019/20	2020/21	Total
Children & Young People	116,180	461,000	0	577,180
General Management	50,000	12,040	0	62,040
Health Intelligence	5,000	0	0	5,000
Help to Change	501,380	251,460	80,000	832,840
Sexual Health	67,500	102,500	0	170,000
Substance Misuse	86,960	348,000	0	434,960
<b>Total</b>	<b>827,020</b>	<b>1,175,000</b>	<b>80,000</b>	<b>2,082,020</b>

