

## **Substitution of the General Fund with the Public Health Grant**

<b>Responsible Officer</b>	
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### **1. Summary**

- 1.1 This report provides an update on the Council's approach to the substitution of general core Council funding with monies from the public health grant. The process is one approach, alongside public health advocacy and health in all (Health Impact Assessments) in local policies, to tackle the wider determinants of health and ensure that wellbeing is embedded in Shropshire Council services to achieve improved public health outcomes at scale. The process of substitutions was initiated by the Council's financial strategy for 2019-20 to 2021-22. Previous reports have been presented to the Health and Wellbeing Board and Health Scrutiny Committees of the Council. This report is the next in the series of reports giving updates on progress.

### **2. Recommendations**

- 2.1. That the committee considers and approves the approaches being developed by the team to provide assurance of the delivery of public health outcomes within Shropshire Council. This includes the draft substitution framework/memorandums for the use of funding and delivery of outcomes.
- 2.3. That the committee endorses the next steps for reporting on the substitutions process.

### **REPORT**

- 2.3 The gap in Government funding for social care, combined with reductions in the Public Health grant put severe financial pressure on Shropshire Council and limited its ability to fund non-mandatory services. The Revenue and Capital Budget approved by Council set out the requirement to deliver savings of £2m through the recommissioning of services across Adults, Children's and Public Health Directorates. As a consequence, there was a need for the Council to achieve efficiency savings through improved integration of the Public Health function across the Council. This approach included decommissioning some non-mandated services and a reduction in staffing. Between February and May 2019, papers were presented to Council Committees, including Cabinet, Health and Adult Social Care Scrutiny and the Health and Wellbeing Board, outlining changes to the delivery of

Public Health services and outcomes within Shropshire. The dual aim of this new approach was to deliver improved public health outcomes while meeting financial challenges. The PH function was rationalised and some savings from the rationalisation reinvested in council services that deliver health improvement and protection e.g. housing, regulatory services etc across the wider determinants of health.

- 2.4 In early 2019 it was proposed that 16 services receive reinvested public health grant monies in substitution for general funds to develop and embed public health outcomes within key core Council Services. Appendix 1.
- 2.5 To prioritise areas for substitution that delivered maximum population level prevention and wellbeing outcomes, a set of four criteria were agreed to assess services against. The 4 criteria are:
1. The substitution results in general funding savings to the same value.
  2. The council service is committed to adding further prevention / wellbeing value through minor redesign e.g. staff training, embedding prevention / wellbeing into policies and protocols, job specification changes, developing and supporting health champions, embedding social prescribing and connectivity into existing jobs.
  3. The services contribute to the Health and Wellbeing Board joint strategic goals.
  4. Any changes to services are cost neutral.
- 2.6 During substitutions budget assessment the delivery of each service / project is matched against the criteria in 2.5. This process provides assurance that substitutions meet the requirements of delivery of the public health grant.
- 2.7 It is important that Shropshire Council can provide evidence to assure the allocation of the public health grant. Each service eligible for substitution money has or will have a Memorandum of Understanding (MOU) or a Service Level Agreement (SLA) with Public Health.
- 2.8 The MOUs are an assurance process. Spend of the Public Health Grant is signed off to Public Health England by the 151 Officer and Director of Public Health. The signed statement requires that Shropshire Council (and all other councils) use the Public Health Grant to promote and protect health. The MOUs / SLAs include KPIs and support the sign off process and ensure ongoing governance and delivery.
- 2.9 An update on progress to deliver the substitutions is attached as Appendix 1. The substitutions process is being successfully delivered to the timetable set out. Issues are:
1. Of the 16 service budgets identified for substitution five were delivered or commissioned via Public Health and already have SLAs in place; therefore, 11 services/ projects require an MOU or SLA.
  2. Of the 11 services requiring an MOU/ SLA, four MOUs / SLAs have been signed; three MOUs are with services for signing. One project is on hold and therefore the substitution is on hold; one project was capital spend and not eligible for substitution, two IBCF projects have been discontinued therefore the projects will no longer be funded.

3. Shropshire Council's telehealth project is currently on hold, as a result the £33,000 substitution is also on hold.
  4. The £350,000 allocated to children's services meets the cost of early years staff at the early years hubs; the £100,000 allocated to the parenting programme meets the cost of early help, parenting programme staff. The content of the MOU has been agreed, the MOU will be in place by mid-January.
  5. The Public Health Team and finance business partner have currently identified substitutions to the value of £2,714,130. The value of substitutions is set at £2,955,420, therefore substitutions to the value of £241,290 are still to be allocated.
  6. Negotiations have been held with leisure to assess if there is opportunity to make £241,290 substitutions in the budget, this has now been agreed and an MOU is in development.
- 2.9. It is important that Shropshire Council can provide evidence to assure the the allocation of the public health grant is used to improve the health and wellbeing of the population of Shropshire. The MOU or a Service Level Agreement (SLA) with for each service will be held between Public Health and the service. Both the MOU and SLA approaches will include the following information in order to assure the substitution process:
1. The current service description and its specific contribution to prevention and wellbeing.
  2. Opportunities that have been identified to further embed prevention in the service
  3. Key performance indicators that assure prevention and wellbeing are embedded in the service.
  4. A key performance indicator reporting framework
  5. A financial monitoring and evaluation framework
- 2.10 It is proposed that key performance indicators are monitored every six months and the SLAs/MOUs are reviewed every 12 months.
- 2.11 It is proposed that a further progress report is presented to Scrutiny Committee in 6 months.
- 3. Risk Assessment and Opportunities Appraisal**
- 3.1 The substitution approach being taken by Shropshire Council is designed to provide risk management and assurance about the way in which the council allocates the Public Health grant
  - 3.2 The MOU / SLA approach to substitutions is supported by Directors and senior service managers.
  - 3.3. The substitution of general fund by Public Health grant is an opportunity to embed prevention and wellbeing into the services – provided by Shropshire Council.
  - 3.4 Finance partners are part of the team delivering the substitutions project. This ensures that the process aligns with the Shropshire Council accounting framework.

- 3.5 The agreed source of future funding of the Public Health grant is uncertain. The recent prevention green paper recommended that the way in which the Public Health grant is funded is reviewed. It has been proposed that future funding of the Public Health grant be from business rates. The way forward remains unknown.
- 3.6 Any change in funding will be known in advance and so provide an opportunity to assess the impact on the services addressed in this paper.

#### **4. Financial Implications**

- 4.1 The reconfiguration of Public Health, the integration of Public Health services within other Council Directorates and the resulting efficiency savings have allowed for a substitution of the Public Health ring fenced grant. This has enabled the Council to deliver on a range of public health outcomes across a number of wider Council functions and for the Council to redirect Public Health grant funding to cover expenditure that meets the grant eligibility criteria across the organisation.
- 4.2 Budgets across Council services that have been identified for substitution have had Public Health grant funding replace core Council funding, either in full or in part. In effect, the core Council budget requirement for these services has reduced as they are now in receipt of funding from the Public Health grant. The total expenditure incurred in the services has not decreased.

#### **5. Background**

- 5.1 A paper presented to the Health and Wellbeing Board - Changes to Public Health within Shropshire Council (May 2019 Board) set out the challenges of delivering non-mandatory council public health and social care services for the people of Shropshire. The challenges come from reductions in the adult social care budget and the public health grant. The paper set out an ambition that there will be integration of public health function across health and social care in Shropshire and that this model will be co-designed with partners. The process is known as 'substitutions'. This paper is an update on the progress of public health substitutions.

Four issues are being addressed through the substitutions process:

1. Delivery of the Public Health duties of Shropshire Council. These are set out in the Health and Social Care Act 2012  
<https://researchbriefings.files.parliament.uk/documents/SN06844/SN06844.pdf>
2. Development of a mechanism to embed prevention and wellbeing for staff and residents into every aspect of council service.
3. To measure and monitor of agreements with council services to deliver public health outcomes
4. To deliver an explicit, measurable contribution to population prevention and wellbeing (public health) outcomes.

- 5.2 The embedded prevention and wellbeing of staff and residents will be aligned with Shropshire Together Health and Wellbeing Strategy.
- 5.3 The substitution of general core Council funding with monies from the public health grant is one approach, alongside public health advocacy and health in all (Health

Impact Assessments) in local policies, being developed within the Council to tackle the wider determinants of health and ensure that wellbeing is embedded in Shropshire Council services to achieve improved public health outcomes at scale.

## 6. Conclusions

This paper is an update on the Public Health grant substitutions process, the process for embedding prevention and wellbeing into council services, and the process for monitoring outputs and outcomes.

### List of Background Papers

**Health and Wellbeing Board** (May 2019) Changes to Public Health within Shropshire Council

<http://shropshire.gov.uk/committee-services/documents/s22037/9.%20HWBB%20Report%20on%20Public%20Health%20FINAL%20amends.pdf>

**Health and Adult Social Care Overview and Scrutiny Committee** (September 2009) Public Health Outcomes and Minutes of the meeting

<https://shropshire.gov.uk/committee-services/mgCommitteeDetails.aspx?ID=737>

### Cabinet Member (Portfolio Holder)

Dean Carroll

### Local Member

### Appendices

Appendix 1: Sixteen services that receive public health grant monies in substitution for general funds

Appendix 2: Draft MOU for Fuel Poverty

Appendix 3: Draft MOU for Housing Services