

# Cheshire East Council

## REPORT TO: Health and Adults Social Care Overview and Scrutiny Committee

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**Date of Meeting:** 3<sup>rd</sup> March 2016  
**Report of:** Director of Public Health – Dr Heather Grimbaldeston  
**Subject/Title:** Public Health Budget  
**Portfolio Holder:** Cllr Janet Clowes

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### 1. Report Summary

- 1.1 This is a report providing an overview of the budget for Public Health Services in 2016/17.

### 2. Recommendations

- 2.1 That the Committee notes the report

### 3. Public Health Funding and financial position

- 3.1 The Chancellor's Autumn Statement confirmed that Local Authorities funding for public health would be reduced by an average of 3.9% in real terms per annum until 2020. This equates to a reduction in cash terms of 9.6% over the same period.
- 3.2 In reviewing the direction of travel in terms of the funding of Public Health services in Cheshire East it is useful to understand the distinction between the additional monies coming in to fund new responsibilities (e.g. the 0 – 5 service for Children) and the year on year reductions being imposed.
- 3.3 In looking at funding levels for 2016/17, with the new responsibilities for 0-5 year's olds added in, the base funding before any reductions can be restated as £18.7m. However the actual funding is £17.3m, reflecting the nationally imposed £1m reduction during 2015/16 and applied recurrently, alongside a further reduction for 2016/17 of £400k. These funding reductions are then applied year on year, which when taken through to the end of the parliament mean a cumulative reduction in excess of £2m (or 15%.)
- 3.4 A number of additional factors need to be considered when looking at these funding levels. Firstly, we were expecting a 10% uplift to the Cheshire East budget as we are one of the lowest funded areas in the North West and country. Taking two northern councils for comparative purposes, Liverpool obtains double per head and Blackpool treble per head. Secondly, the impact of funding reductions when set against rising prices (in effect increasing the impact of reducing funding level) and increasing demand for investment which can be evidenced.
- 3.5 When these factors are taken together it is apparent the financial outlook for Public Health has become considerably more challenging post transfer to the Local Authority than at the start of

2013/14. In addition, this financial challenge is only likely to increase over the medium term as real term funding reductions come through, with further reduction of £425,001 (2.5%) in 2017/18.

- 3.6 The Public Health Ring Fenced Grant for 2016/17 and 2017/18 were announced on 11<sup>th</sup> February 2016 confirming this position.
- 3.7 The Autumn Statement also confirmed that the central government grant, ring fenced for use on public health functions would continue for at least two more years. Therefore, in our budget planning, we have included 2018/19 and 2019/20 and have estimated a further 2.6% reduction in these years.
- 3.8 The table on the next page summarises these allocations and provides the historic context for 2013/14 and 2014/15.

#### **4. Public Health Services**

- 4.1 Since responsibility for public health functions transferred to Local Authorities from the NHS in April 2013, a number of changes to delivery of services has been made.
- A new Drug and Alcohol service for adults and young people. This contract is with Cheshire and Wirral Partnership. It started in October 2014 and lasts for three years with the option of extending for a further two years.
  - A new sexual health service. This contract is with East Cheshire Trust. It started in September 2015 and lasts for three years with the option of extending for a further two years.
  - A new integrated Health Visiting and School Nursing service. This contract is with Wirral Community Trust. It started in October 2015 and lasts for three years with the option of extending for a further two years.
  - A new health and wellbeing services offering lifestyle advice and support to residents in an integrated way is currently being procured with contracts expected to be awarded in April 2016.
- 4.2 Despite the cuts in the public health budget, we are confident that these contract commitments can be met.
- 4.3 In addition we have run a successful transformation fund: allocated over £1m (non recurrently) over 4 rounds, 13 projects supported.
- 4.4 Invested in Children's and Adults Services to secure public health improvement through these areas. The Childrens money is being used to promote the empowered child and healthy eating in schools. The adults funding will support Local Area Co-ordinators and an expand team of Community Agents.

- 4.5 Supported the activity of the Clinical Commissioning Groups and the Cheshire Integrated Health and Care Pioneer.
- 4.6 Worked with the Economic Growth and Prosperity Directorate for example on HS 2, the Local Plan, and the Cultural Commissioning Framework and with HR on workforce health initiatives.
- 4.7 Supporting the Communities Service for example, with Community Hub development and Asylum Seeker and Refugee policy.

## **5. Public Health priorities 2016/17**

- 5.1 Given that the allocations were only confirmed on 11<sup>th</sup> February 2016, we are still working through the final list of public health priorities for 2016/17, but the committee should note the relevance of the strategic plan published in May 2015.
- 5.2 Effective commissioning of early intervention and prevention activity can not rely solely on the public health ring fenced grant. We need a coherent programme with all directorates of the council and our partners working together and investing to achieve the necessary improvements in health and economic advantage to sustain excellent quality services for residents within the current and planned council and system budget. To this end we commit to working in partnership, to integrate, join up delivery, improve effectiveness and efficiency of delivery, fundamentally deal with the root causes of problems in our communities and empower them to drive the change forwards.

## **6. Access to Information**

The contact details for this report are as follows:

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## Appendix 1

Public Health Grant Per Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Base budget	£13,761,800	£14,274,400	£14,274,000	£15,598,222	£17,258,001	£16,833,000	£16,395,342
Increase for 0-5 Health Visiting			£2,353,000	£2,353,000			
In year reduction in PHE funding			-£1,028,778	-£399,488	-£425,001	-£437,658	-£426,279
Transfer of base funding to CCG for Community special school nursing				-293,733			
PHE Awards		£3,613					
Total net budget	£13,761,800	£14,278,013	£15,598,222	£17,258,001	£16,833,000	£16,395,342	£15,969,063
Increase of PHE funding for dispensing costs - invoiced			£291,000	£291,000	£291,000	£291,000	£291,000
Public Health Reserve		£1,619,586	£1,971,701	TBC	TBC	TBC	TBC
Grand total	£13,761,800	£15,897,599	£17,860,923	£17,549,001	£17,124,000	£16,686,342	£16,260,063

## Notes

Public Health reserve, in the above table, shows the closing balance from prior years. So in 2014/15 £1,619,586 has been carried from 2013/14

In 2018/19 and 2019/20 an estimated 2.6% reduction has been used to calculate the in year reduction figure