

## **Committee: Healthier Communities and Older People Overview and Scrutiny Panel**

Date: **28<sup>th</sup> June 2016**

Agenda item:

Wards: ALL

### **Subject: Public Health savings 2016/17**

Lead officer: Dr Dagmar Zeuner, Director of Public Health.

Lead member: Tobin Byers. Cabinet Member for Adult Social Care and Health.

Contact officer: Dr Dagmar Zeuner, Director of Public Health.

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#### **Recommendations:**

- A. To note and comment on the approach that Public Health has taken to identifying savings for 2016/17 to meet the national and local savings targets
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#### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. The purpose of this report is to give the Committee an overview of the approach that Public Health has taken to determine savings for 2016/17, given the scale of the national reductions to the Public Health grant in Merton, as elsewhere, as well as additional local pressures.
- 1.2. Merton Public Health team has had to make difficult decisions about how to meet the required reduction to the grant, but has taken a considered and structured approach to identifying savings and made every effort to mitigate impact, including using Equality Impact Assessments to guide decision making.

#### **2 PUBLIC HEALTH SAVINGS – NATIONAL CONTEXT**

- 2.1. In August 2015, the Treasury announced that the 2015/16 Public Health grant to local authorities would be reduced by 6.2% in year. For Merton, this equated to a reduction of £664,000 to the grant, and was deducted from the final quarter grant payment for 2015/16. The national Comprehensive Spending Review (CSR) in November 2015 set out further cuts to the Public Health grant for subsequent years, including an additional 2.2% reduction in 2016/17 on top of the reduced 2015/16 baseline.
- 2.2. Merton's Public Health Grant allocation for 2016/17 is £10,998,000. Together with a locally agreed £400,000 recurrent contribution to Children, Schools and Families (CSF) to fund under-fives' services from 2016/17 (agreed as part of the MTFs before the scale of the national cuts was known), this totals a budget reduction of £1,590,698 in 2016/17.
- 2.3. As in Merton, Public Health teams across the country are having to make challenging decisions about how to meet the significant scale of savings required to remain within their reduced grants, whilst maintaining mandatory services as well as a focus on prevention, reduction in inequalities and responding to other local priorities.

### **3 PUBLIC HEALTH APPROACH TO DEVELOPING SAVINGS PLAN**

- 3.1. Given the scale of the reduction to the Public Health grant, making significant cuts to a number of areas across Public Health's work in Merton in 2016/17 has been unavoidable. However, a carefully considered approach has been taken to identify savings, taking into account the council's 'July principles' and using the following criteria:
- Maintain delivery of Public Health mandated services;
  - Protect front facing services where possible, for instance by making maximal savings from the Public Health Directorate budget;
  - Seek efficiencies as well as service transformation through planned new procurements by innovating service models (i.e. more digital provision), promoting self-care and ensuring a proportionate focus on need.
- 3.2. Recognising the risks inherent in cutting programmes and services, we undertook detailed Equality Impact Assessments on all proposed savings in order to identify and minimise adverse impacts to service users, and proactively engaged with key partners including Adult Social Care, Children's Schools and Families, and Merton Clinical Commissioning Group.
- 3.3. The resulting savings plan for 2016/17 is set out in para 17.1 in the attached paper.
- 3.4. This process has been challenging, given both the total amount of savings required and the financial context across other areas of the council and partners, as well as the tight timescales between announcement of the scale of the cuts and the start of the 2016/17 financial year. This latter issue posed particular challenges in our ability to fully review, for 2016/17 savings plans, portfolio areas where funding was already committed in existing contracts.
- 3.5. However, as a result of the process outlined above, we feel able to assure Scrutiny that the savings proposals for 2016/17 represent the best possible solution for making the required savings, whilst ensuring that a comprehensive portfolio of good value and effective Public Health programmes remain.

### **4 FUTURE APPROACH TO FURTHER SAVINGS**

- 4.1. In addition to the 2.2% reduction in the grant in 2016/17, the CSR set out further cuts to the Public Health grant for subsequent years: an additional 2.5% in 2017/18; 2.6% in 2018/19; and 2.6% in 2019/20. The £400,000 recurrent allocation to CSF remains, and from 2017/18 the Council has proposed an additional £600,000 recurrent contribution to adult social care. This too was proposed before the full scale of the Public Health grant reduction was known.
- 4.2. Whilst savings plans for these subsequent years are outside the scope of this paper, the Public Health Target Operating Model (TOM) is currently being reviewed, setting out strategic aims and aligning resources to underpin the approach to savings options for 2017/18 onwards. In the longer term, there is more flexibility to include a full review of services where funding is currently committed to ensure a rounded look at all areas of Public Health spend. For example, we already looking in depth at sexual health, a significant portfolio within the Public Health budget, to see where ambitious savings can go hand in hand with service transformation, and including work at pan-London level.

The pan-London programme is an innovative means to achieve significant savings but at longer time frames beyond 2017/18. We welcome support from the Committee to ensure this process to identify savings in future years is as robust as possible.

- 4.3. We think as an approach it is important to not get completely absorbed into focussing on savings and cuts but instead put energy into thinking creatively about the resource we have – which includes the remaining budget and our highly trained and experienced staff. We will carefully consider how to use these resources to best effect in delivering an efficient and equitable Public Health service in Merton going forward.
- 4.4. It is also important to note that the public health approach is about whole system thinking, and as such we view the whole council resources not just the Public Health grant as important assets to improve health and wellbeing. Hence we seek any opportunity to enhance working across the whole council and with partners to support our residents to live long and healthy lives, and to reduce health inequalities.

## **5 ALTERNATIVE OPTIONS**

All Public Health budget lines were examined, and the final savings plan represents our best judgement of the most proportionate and considered approach to savings, given the challenging context.

## **6 CONSULTATION UNDERTAKEN OR PROPOSED**

We have worked with partners including Children’s Schools and Families, Adult Social Care, and Merton CCG, in developing our savings proposals.

## **7 TIMETABLE**

Savings apply to 2016/17

## **8 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

Set out in the attached paper

## **9 LEGAL AND STATUTORY IMPLICATIONS**

None: our approach to savings has taken into account the legal and statutory implications

## **10 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

Equalities Analyses have been undertaken for all relevant areas of Public Health savings. The details of the Equalities Impact Analyses undertaken can be found on the Merton Council external website by following the link:

**11 CRIME AND DISORDER IMPLICATIONS**

None

**12 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

None

**13 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

Chief Officer Key Decision paper - Public Health Budget Proposals 2016/17

**14 BACKGROUND PAPERS**

None

## **Chief Officer: Simon Williams**

**Date: Thursday 3 March 2016**

Wards: All

### **Subject: Chief Officer Key Decision - Public Health Budget Proposals 2016/17**

Lead officer: Simon Williams, Director, Community and Housing

Lead member: Cllr Caroline Cooper-Marbiah

Contact officer: Dagmar Zeuner, Director of Public Health

#### **Recommendations:**

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1. For Chief Officer Key Decision to approve the proposed Public Health budget savings proposals for 2016/17
  2. To agree that any PH underspend in 2015/16 can be moved to Public Health reserves, in line with the Public Health grant conditions, in order to help offset cost pressures in 2016/17
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#### **15 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 15.1. This report sets out Public Health budget savings proposals for 2016/17. It outlines the overall budget position and impact of the national savings and corporate contributions.
- 15.2. The purpose of this paper is to provide information to support the Chief Officer Key Decision to approve these Public Health savings proposals.

#### **16 DETAILS**

- 16.1. The final national Public Health Grant allocation, published on 11 February 2016 is **£10,998,000** for 2016/17. This reflects the additional allocation for the full year costs of Health Visiting commissioning responsibilities and the national savings announced in the Comprehensive Spending Review in November 2015.
- 16.2. Together with the previously agreed £400,000 recurrent contribution to Children, Schools and Families (CSF) from 2016/17, this totals a budget reduction in 2016/17 of: **£1,590,698**
- 16.3. In 2017/18 the national grant allocation is £10,727,000. In addition the Council agreed a £600,000 recurrent contribution to adult social care which will leave public health with an available budget of 9,727,000.
- 16.4. The ring-fence on the Public Health Grant has been extended for a further two years and there will be a national transition to full funding through local business rates from 2018/19 onwards.
- 16.5. The immediate focus has been on identifying savings in 2016/17, recognising the need to have a robust savings plan going forward in

2017/18. It has been agreed that the Public Health Target Operating Model (TOM) will be revised by the new Director of Public Health (DPH), setting out strategic aims and aligning resources, which will enable a fuller review of savings options for 2017/18 onwards.

- 16.6. The approach to identifying savings for 2016/17 has been to ensure the delivery of public health mandated services and minimise adverse impacts to service users. This has included increasing efficiencies through new procurements; protecting services where funding is tied into existing contracts; reducing funding and in some cases cutting budgets completely.
- 16.7. Significant savings have been made from the Public Health Directorate budget in order to protect front facing services.
- 16.8. It is also proposed to actively underspend for the remainder of 2015/16, in order to put savings into public health reserves for 2016/17 which can then be used to offset pressures, especially anticipated genito-urinary medicine (GUM) risk/contingency as this is a mandated open-access service.

## 17 AREAS OF SAVINGS

- 17.1. The table below sets out a summary of all saving proposals for 2016/17, totalling **£1,631,000**. The savings target for 2016/17 is **£1,590,698**.

No.	Saving area	Saving Type <sup>1</sup>	Saving amount 2016/17 (£000)	Total budget 2015/16 (£000)	Equalities Assessment required
PH1	<b>Substance misuse re-procurement</b>  Reduced budget for recommissioning adult substance misuse services and reducing prevention programmes. Recommissioning will bring together a number of components, including detox and shared care in primary care settings, in order to offer better value and care closer to home	SP1 /SP2	<b>£540</b>	£2,056	Yes
PH2	<b>Deletion of Healthy Licensing / Planning post</b>  Decision not to recruit to planned joint post to provide Public Health input to alcohol licensing and spatial planning decisions	SS2	<b>£40</b>	£2,056	Yes

<sup>1</sup> SS2: Staffing: reduction in costs due to deletion/reduction in service  
 SNS1 Non - Staffing: reduction in costs due to efficiency  
 SNS2 Non - Staffing: reduction in costs due to deletion/reduction in service  
 SP1 Procurement / Third Party arrangements – efficiency  
 SP2 Procurement / Third Party arrangements - deletion/reduction in service

No.	Saving area	Saving Type	Saving amount 2016/17	Total budget 2015/16	Equalities Assessment required
PH3	<b>Environmental Health – miscellaneous expenses</b> Reduction in budget for printing materials associated with the Healthy Catering Commitment	SNS1	£3.4	£5.4	N/A
PH4	<b>Healthy workplace</b> Revised approach to delivering the internal LBM healthy workplace programme through existing Public Health and HR capacity	SNS1	£25	£30	N/A
PH5	<b>Integrated healthy lifestyles and weight management service (LiveWell) re-procurement</b> One year transition, followed by re-commissioning of integrated health improvement, stop smoking and weight management services at a reduced value and improved efficiency with single point of access	SP1 /SP2	£300.8	£730.8	Yes
PH6 PH7	<b>Prescribing costs</b> Reduction in prescribing costs for sexual health services and stop smoking services, which have been capped and included in new contracts	SP1	£55	£55	N/A
PH8	<b>Sexual Health</b> Decommissioning of SW London sexual health network and Terrence Higgins Trust (THT) delivery of chlamydia screening service, which is now embedded in new community services contract	SP2	£65.7	£2,990	N/A
PH9	<b>NHS Health Checks</b> Reduction in budget for promotional materials, and for Healthy Living Pharmacy (capping number of Health Checks pharmacies conduct/year)	SNS1	£7.9	£232	Yes
PH10	<b>Befriending service</b> Reduction in the capacity of 2 year pilot befriending service by 20%	SNS2	£10	£50	Yes

No.	Saving area	Saving Type	Saving amount 2016/17	Total budget 2015/16	Equalities Assessment required
PH11	<b>Handyman scheme</b> Cutting funding for this subsidy scheme, geared towards reducing falls in older adults in Merton	SNS2	£8.4	£8.4	Yes
PH12	<b>Community Outreach projects</b> Reduced funds for supporting health-related community development work in the east of the borough	SNS2	£40	£50	Yes
PH13	<b>Health Visiting Resources</b> Budget for health visitors and school nurses resources now embedded in community services contract	SNS2	£16	£16	N/A
PH14	<b>Children's Public Health programmes</b> Cutting funding for children's public health programmes including Early Years pathway and service integration development (£50k), support for parental mental health (£50k), targeted Healthy Schools Programme in Mitcham (£100k)	SNS2	£200	£200	Yes
PH15	<b>Public Health Directorate costs</b> Reduction in budget available for staff continuous professional development (CPD) and other miscellaneous costs	SNS1	£10	£14	N/A
PH16	<b>Merton Clinical commissioning Group (MCCG) Clinical Director posts</b> Cutting funding to MCCG for GP Clinical Directors, reducing from 4 to 1 (Director for Prevention)	SS2	£59	£79	N/A
PH17	<b>English for Speakers of Other Languages (ESOL) with health messaging</b> Cut budget for ESOL classes delivered using health materials	SNS2	£66.4	£66.4	Yes

<b>PH18</b>	<b>Health Needs Assessments</b> Reduce budget for consultancy support for Health Needs Assessments	SNS2	<b>£100</b>	£124	Yes
<b>PH19</b>	<b>Health protection</b> Cut contingency fund (DPH role is to assure the health protection function rather than direct service delivery)	SNS2	<b>£10</b>	£10	N/A
<b>PH20</b>	<b>Community Services contract</b> Reduction in Community Health Services Contract value through re-procurement of services	SP1	<b>£73</b>	4,500	N/A
<b>TOTAL</b>			<b>£1,630.6</b>	£11,217	

## 18 IMPACT, RISKS AND MITIGATING ACTIONS:

- 18.1. To date, £1,614,000 savings have been identified which is sufficient to meet the total reduction in grant of £1,590,698 in 2016/17. However, there are also additional significant cost pressures for 2016/17 which have been factored into identified savings.
- 18.2. Achieving the saving target is dependent on Public Health Sexual Health Services (Genito-Urinary Medicine), which are open access demand based services, being delivered within the projected forecast. £40k contingency/pressures have been included in the saving targets; therefore there is a remaining risk if GUM overspends beyond this. Steps are being taken to try to mitigate this risk by shifting the demand from Level 3 services (GUM) to block contracted Level 2 (Contraception and Sexual Health, or CaSH services) and GPs/ Pharmacies where appropriate.
- 18.3. The savings that have been identified will have a negative impact on the delivery of public health functions and services. A significant proportion of savings will be achieved through increased efficiencies from re-procurement of services. However there remain risks both in terms of deliverability and reputation.
- 18.4. Discussions have been initiated with other Directorates within the council, and with Merton CCG as a key strategic and delivery partner, about the impact of Public Health savings on joint working and service delivery as well as mitigation.
- 18.5. Recognising the impacts and risks, Equalities Assessments have been conducted on each of the areas of savings that were identified as having an equalities implication. These are supplied along with this paper, but in summary the main risks and mitigating actions are set out in the table below:

No.	Saving area	Risks	Mitigations
PH1	Substance misuse re-procurement	<p>The re-procurement of substance misuse services at reduced budget will result in a reduced focus on prevention. Savings have been modelled on having new contract in place by October 2016; any delays in procurement would reduce savings.</p> <p>N.B. Proposed changes do not, at this stage, affect the PH contribution (£174k) to the CSF led Young Peoples Risk and Resilience Service.</p>	<p>It is intended that the re-procured service includes prevention, maintains the good treatment outcomes of the current service and produces cost efficiencies. This will be closely monitored to ensure outcomes are delivered.</p> <p>Preventive programmes around substance misuse will be integrated into other services that Public Health commission (LiveWell, NHS Health Checks).</p>
PH2	Healthy Licensing and Planning post	<p>A planned new joint post between Public Health and Environment and Regeneration (Licensing and Planning teams) will now not be recruited to. This will reduce planned capacity of Public Health and colleagues in licensing and planning to be able to use council levers to create healthy environments for residents, to improve health and wellbeing and reduce health inequalities.</p>	<p>Public Health has developed good working relationships with Licensing and Planning teams and will continue to respond to licensing and planning applications and policy within available capacity, and explore new more efficient ways of working.</p>
PH5	Integrated healthy weight, healthy lifestyles service (LiveWell) re-procurement	<p>The one year transition service, and re-commissioning a new LiveWell service at a significantly reduced value may not meet existing demand, leading to reduced delivery of national outcomes e.g. 4 week quits.</p>	<p>The transition service will be evidence-based, targeted to need (e.g. the east of the borough), with clear criteria for referral and a single point of access for improved efficiency. This will be closely monitored to ensure outcomes are delivered. The transition period will enable time to design a new service that integrates with other Public health commissioned services locally (e.g. NHS Health Checks) and nationally (e.g. the new National Diabetes Prevention programme to be procured in 2016/17)</p>

<b>No.</b>	<b>Saving area (continued)</b>	<b>Risks (continued)</b>	<b>Mitigations (continued)</b>
PH9	Health Checks	NHS Health Checks savings are minimal but will affect the residents of Merton who might have wanted to access NHS Health Checks through their pharmacies.	Currently there is no provision of NHS Health Checks through community pharmacies, so while the scope of the programme in pharmacies may be reduced, this is still an improvement from not having any offer from community pharmacies at all.
PH10	Befriending	This will affect older and vulnerable adults at risk or currently experiencing loneliness and isolation. The proposed saving will have a moderate impact on the voluntary sector providers: Age UK Merton, Wimbledon Guild, Carers Support Merton, MVSC and Positive Network; but mostly Age UK Merton.	We are taking steps to ensure that the numbers seen by the service do not drop significantly. We will ensure that the service is targeted at the most vulnerable by stringent prioritising and targeting, as well as at BAME groups.
PH11	Handyman scheme	The cessation of the subsidy will affect frail/elderly Merton residents who have either fallen or are at risk of falls.	This is a "bolt on" to existing Age UK Merton Handyman Scheme and will not impact on that service per se.
PH12	Community Outreach	The reduction in outreach includes (1) removing budget for non-recurrent ad hoc programmes, and (2) reducing funding available in 2016/17 for supporting capacity building in the voluntary sector to support health and wellbeing objectives (and removing funding entirely in 2017/18). The proposed cut in funding, including reduction in funding to MVSC, will impact on voluntary sector provision and has reputational risks.	In order to mitigate any negative impact, we plan to (1) provide one year's reduced funding to MVSC in 2016/17 as a transition year, and (2) work across the council to identify opportunities to work in a more coordinated way across Directorates to pool existing capacity building and support to the voluntary sector and include health and wellbeing.
PH13	Health Visiting resources	We are proposing to remove a historical budget for Health Visiting resources.	Public health resources have been embedded in the new specification for Healthy Child 0-5 services (health visiting), to be provided by Central London Community Health NHS Trust from 1st April 2016.

No.	Saving area (continued)	Risks (continued)	Mitigations (continued)
PH14	Children's public health programmes	<p><u>Early Years pathways</u></p> <p>Reduction in capacity to deliver service improvement and support the development of care pathways and integrated services, which have the potential to release efficiencies across Early Years providers.</p> <p><u>Early Years parental mental health</u></p> <p>Reduced support to Children's Centre's for parental mental health will result in reductions in staff training and awareness, and direct service delivery to parents.</p> <p><u>Healthy schools programme</u></p> <p>Cut to programmes providing direct services for schools and pupils in the 20 schools within the Mitcham Town and East Mitcham school clusters. The cut in funding will result in a reduction in preventative services and practical support to pupils, parents and teachers in addressing health</p>	<p>Seek to identify resources within existing teams and work with our new Community Health Services provider to continue developing joined up care pathways and closer integration of services to improve outcomes for families.</p> <p>Mental health resilience will be supported through mainstream services including health visiting and early years services. Development of pathways and new resources for perinatal health is key: we will work with our Community Health services provider to ensure health visiting services continue to identify and support low level parental mental health needs and ensure development of a robust perinatal mental health pathway. We will work with Merton CCG in implementing Merton's Transformation Plan for CAMHS and new funding for perinatal mental health. We will ensure those mothers currently receiving 1-1 support will be able to exit the programme effectively and identify step down services.</p> <p>We will work with school clusters to ensure they are well linked to other local services, e.g. school nursing, childhood weight management services, LiveWell. We will promote and provide links to the London Healthy Schools programme. We will ensure schools have access to national resources e.g.</p>

		and wellbeing, in particular in relation to childhood obesity and reducing health inequalities. An evaluation report of the programme is currently being produced.	Change4Life. We will support the identification of other funding sources and use of volunteers to promote health within schools and community settings, including Health Champions.
PH16	MCCG Clinical Director posts	A reduction to funding to MCCG will result in a reduction in the number of GP Clinical Directors, who provide clinical leadership in the following areas: Children and Maternity; Adults (Early Diagnosis and Management); Cancer, Prevention (Keeping Healthy and Well), which has a reputational risk and operational deliverability risk.	It is proposed to continue funding for the Clinical Director for Prevention. Public Health will continue to work closely with MCCG to ensure appropriate clinical input to other areas.
PH17	English for Speakers of Other Languages (ESOL) with health messaging	Cutting funding in training for ESOL with health messaging will reduce direct service delivery, as well as health promotion messages about diet, physical activity and appropriate access to NHS services.	There is potential to work with the commissioned provider of MAE services once in place, to ensure resources developed as part of this work are available for use in the new service which will still include some ESOL provision.
PH18	Consultant health needs assessment (HNA) budget	Significantly reduced capacity to undertake needs assessment, service and evidence reviews, audits and health impact assessments. The revised budget is £24k. This will limit the effectiveness of Public Health support to internal and external partners and the JSNA which is a mandatory function and as such is also a reputational risk.	The Public Health team will apply stringent criteria to prioritise work from the remaining budget, and carefully plan internal resource to conduct HNAs and service reviews.

**19 ALTERNATIVE OPTIONS**

19.1. None

**20 CONSULTATION UNDERTAKEN OR PROPOSED**

20.1. None

**21 TIMETABLE**

21.1. Savings apply to 2016/17

**22 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

22.1. Set out above.

**23 LEGAL AND STATUTORY IMPLICATIONS**

23.1. None: our approach to savings has taken into account the legal and statutory implications

**24 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

24.1. We have undertaken Equalities Analyses for all relevant areas of Public Health savings – see appendices.

**25 CRIME AND DISORDER IMPLICATIONS**

25.1. None

**26 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

26.1. None

**27 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

27.1. Equalities Analyses for each of the savings areas as follows:

- EA PH1 Substance misuse
- EA PH2 Healthy Licensing and Planning post
- EA PH5 Integrated weight management healthy lifestyle and stop smoking service
- EA PH9 Health Checks
- EA PH10 Befriending
- EA PH11 Handyman scheme
- EA PH12 Community Outreach
- EA PH13 Health Visiting resources
- EA PH14 Children’s Public Health Programmes
- EA PH17 ESOL with health messaging
- EA PH18 Consultant HNA budget

**28 BACKGROUND PAPERS**

28.1. None