

**SERVICE COMMITTEE REVIEW OF DRAFT BUSINESS PLANNING PROPOSALS  
FOR 2016/17 TO 2020/21**

*To:* Health Committee

*Meeting Date:* 17<sup>th</sup> December 2015

*From:* Dr Liz Robin, Director of Public Health

Chris Malyon, Chief Finance Officer

*Electoral division(s):* All

*Forward Plan ref:* Not applicable      *Key decision:* No

*Purpose:* This report provides the Committee with an overview of the draft Business Plan Proposals for Public Health grant funded services

The report provides a summary of the latest available results from the budget consultation.

- Recommendation:*
- a) It is requested that the Committee note the overview and context provided for the 2016/17 to 2020/21 Business Plan proposals for Public Health grant funded services, updated since the last report to the Committee in November.
  - b) It is requested that the Committee comment on the draft revenue savings proposals to Public Health grant funded services for 2016/17 to 2020/21, and relay these comments to the General Purposes Committee as part of consideration for the Council's overall Business Plan
  - c) Note the ongoing stakeholder consultation and discussions with partners and service users regarding emerging business planning proposals

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## 1. OVERVIEW

- 1.1 The Council's Business Plan sets out how we will spend our money to achieve our vision and priorities for Cambridgeshire. Like all Councils across the country, we are facing a major challenge. Our funding is reducing at a time when our costs continue to rise significantly due to inflationary and demographic pressures. This means that despite the way in which we have been able to stimulate local economic growth, and the improving national economy, the financial forecast for the Council continues to present huge challenges.
- 1.2 The Council has now experienced a number of years of seeking to protect frontline services in response to reducing government funding. Looking back, we have saved £73m in the last two years and are on course to save a further £30m this year (2015/16). As a result, we have had to make tough decisions over service levels during this time. Over the coming five years those decisions become even more challenging. The choices are stark and unpalatable but very difficult decisions will need to be made as the Council has a statutory responsibility to set a balanced budget each year, as well as a duty to provide the best possible services for Cambridgeshire's communities. It is the Chief Finance Officer's statutory role to provide a statement on the robustness of the budget proposals when they are considered by Council in February.
- 1.3 This year the Council has adopted an outcome-led approach to business planning. This is defined and described through the draft Strategic Framework that was approved by the General Purposes Committee on 20 October this year  
<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12221>).
- 1.4 The Strategic Framework sets out the outcomes that the Council will work towards achieving, and the ways of working the Council will adopt, in the face of prolonged and painful budget pressures. It is not a solution to austerity in itself, but instead it is the approach the Council has taken to best tackle the huge challenges it faces.
- 1.5 Within this new framework, the Council continues to undertake financial planning of its revenue budget over a five year timescale which creates links with its longer term financial modelling and planning for growth. This paper presents an overview of the proposals being put forward as part of the Council's draft revenue budget, for services funded by the ring-fenced public health grant. .
- 1.6 Funding projections have been updated based on the latest available information to provide a current picture of the total resource available to the Council. At this stage in the year, however, projections remain fluid and will be reviewed as more accurate data becomes available.



## 2. SUMMARY OF THE DRAFT REVENUE BUDGET

- 2.1 In order to balance the budget in light of the cost and reduced government funding, the following table shows the total amount necessary for each of the next five years, split by service block:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Children, Families and Adults	-31,229	-22,075	-16,499	-13,112	-8,048
Economy, Transport and Environment	-6,774	-3,663	-2,856	-2,041	-982
Public Health	-1,973	-1,299	-655	-796	-495
Corporate and Managed Services	-1892	-1746	-319	-869	-430
LGSS Operational	-971	-571	-803	-708	-351
<b>Total</b>	<b>-42,909</b>	<b>-29,354</b>	<b>-21,232</b>	<b>-17,642</b>	<b>-10,373</b>

- 2.2 In some cases services have planned to increase locally generated income instead of cutting expenditure. For the purpose of balancing the budget these two approaches have the same effect and are treated in the same way.
- 2.3 Delivering the level of savings required to balance the budget becomes increasingly difficult each year. Work is still underway to explore any alternative savings that could mitigate the impact of our reducing budgets on our front line services, and business planning proposals are still being developed to deliver the following:

Service Block	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Children, Families and Adults	0	0	0	0	0
Economy, Transport and Environment	0	-1,064	-2,391	-2,041	-982
Public Health	0	0	-755	-912	-562
Corporate and Managed Services	0	0	-285	-827	0
LGSS Operational	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>-1,064</b>	<b>-3,431</b>	<b>-3,780</b>	<b>-1,544</b>

- 2.4 The level of savings required is based on an expected 1.99% increase in council tax each year. This assumption was built into the Medium Term Financial Strategy (MTFS) which was agreed by Full Council. For each 1% more or less that council tax is changed, the level of savings required will change by approximately +/-£2.4m.

## 3. SUMMARY OF CONSULTATION RESULTS

### Background

- 3.1 There has been a shift in emphasis and approach for this year's Business Planning Consultation compared to previous years. Councillors have advocated a different approach, moving away from the "paid for" household survey and instead commissioning a much cheaper and more enduring budget challenge animation (at time of writing over 1,300 views) that has been used to support an online survey, community engagement events, and will

continue to be used during specific service-user consultations and other community events.

- 3.2 The engagement on the budget this year has focussed on raising awareness of the challenge facing Cambridgeshire, what that will mean for the changing role of the Council, and the role that communities themselves will need to play.
- 3.3 The key strands for the consultation were as follows:
- Community events attended by the County Council as part of business plan consultation including interviews with over **350 people**.
  - Business consultation via the Chambers of Commerce and a business networking event (B2B) reaching over **75 businesses**.
  - An online questionnaire accompanying the film, completed at time of writing by **506 people** (9<sup>th</sup> November), an approximate 1 to 3 conversion rate from film views to completed survey.
- 3.4 It has been agreed that the consultation process will now run until early December so that people wishing to respond to the consultation in reaction to news of budget proposals can have the chance to do so.

### **Community Events**

- 3.5 Council Members and officers talked with over 350 people at four separate events in Wisbech, Cherry Hinton, Ramsey and Ely (with 217 feedback forms being completed as some talked as a couple or group). Further details about the methodology are included in a fuller write-up of the consultation, attached as Appendix B.
- 3.6 Conversations were wide ranging and people commented on local issues as well as the County Council's budget. There were many positive examples of people volunteering to support the community. Approximately a third of people gave their e-mail details in order to participate in the on-line survey.

### *Awareness and reaction to the savings challenge*

- 3.7 Overall, general awareness of the budget challenge faced by the County Council was good with approximately two-thirds having an understanding. The main gap in people's knowledge was around the scale of savings to be made over the next five years.

### *Increased community action to support services*

- 3.8 The vast majority of people felt that this was a good idea. During each event there were many stories of the extensive amount of volunteering and other forms of community action that were taking place. People did discuss the challenges involved including inspiring people to get involved for the first time, particularly when there were a range of work / time pressures. In addition to this people focused on needing to be asked or sign posted to what community action was most needed within their communities.

### *Council Tax*

- 3.9 The proportion of people opposed to paying more council tax varied according to location and the type of event attended. Overall, the majority of people fell into a group who were willing to accept an increase providing certain conditions were met. These conditions were either that a particular service area received additional funding or was protected and/or there was some sort of means testing for the rise so people struggling to pay wouldn't be penalised.

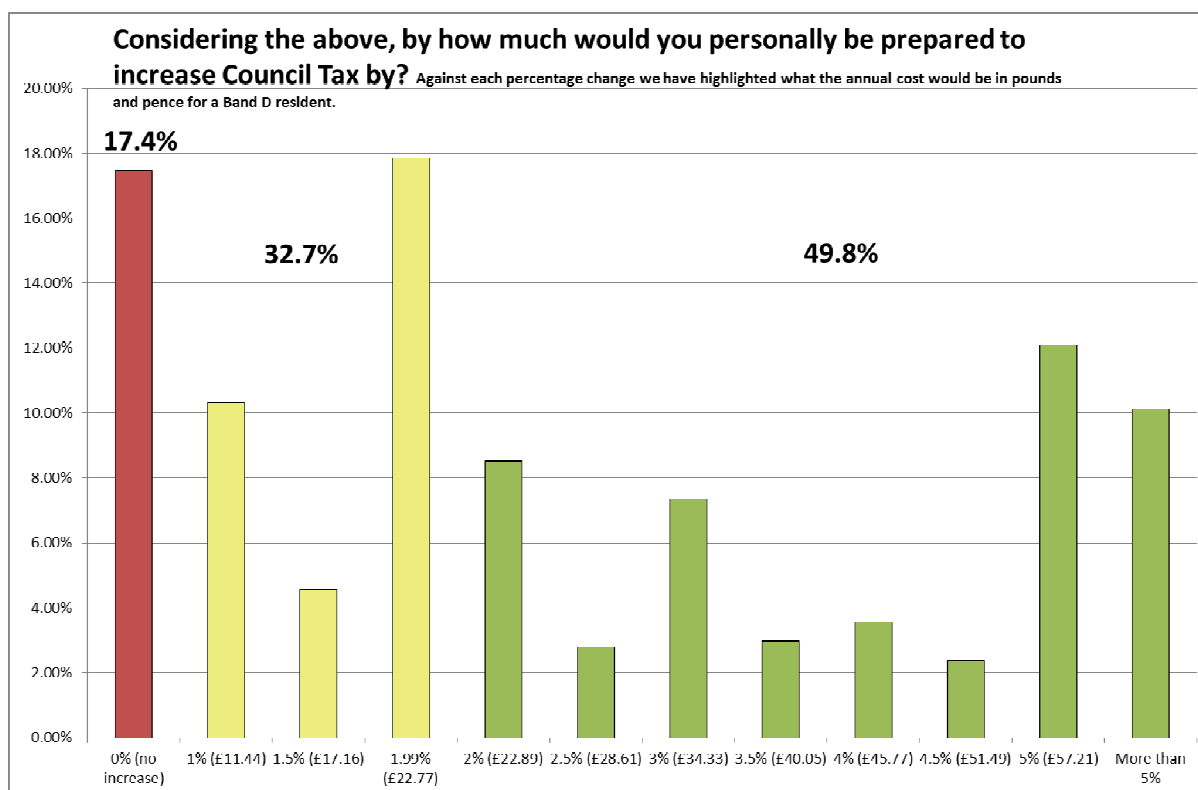
### **Online Survey**

- 3.10 The on-line survey has currently been available for six weeks (at time of writing, 9<sup>th</sup> November) with 506 completed responses. The survey was supported by a media campaign that had the broader aim of raising awareness of the County Council's situation. As well as press releases which gained positive headlines in the local media, information went to libraries, parish councils and key mailing groups. Twitter impressions for relevant tweets hit over 20,000 impressions during November (with a twitter campaign reach of 130,000<sup>1</sup>). One Tweet appeared as a 'Great UK Government Tweet' (this means it was one of the top performing government tweets of that day) and had 2,104 impressions and a reach of 21,820. The Facebook campaign yielded figures of over 25,000 impressions with nearly 20,000 unique people reached via a paid-for Facebook advert.
- 3.11 The budget consultation has featured all month on the front of the County Council's webpage and the budget page itself has had more than 2,640 hits (as at 9th November). The number of views of the budget challenge animation is growing steadily (and will continue to grow as it becomes a feature of other consultation exercises. So far there have been over 1,300 views.
- 3.12 Noting that the on-line consultation remains open, the following are provisional findings thus far:
- 84% of respondents felt that the County Council's budget challenge film gave them a good understanding of the challenges faced by the County Council and over 90% were concerned or very concerned about the challenges
  - There was strong support for all the County Council's seven priority outcomes
  - Looking at the three broad service categories people preferred to spend less money on universal services (19% opting to spend a lot less on these) compared to care packages (5% opting to spend a lot less).
  - 78% of people felt that it was a good idea to ask people to get more involved in their local community. However, 'available time', 'unwillingness by some' and 'understanding what is expected' were identified as the main barriers to achieving this goal.

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<sup>1</sup> Impressions are the number of times people saw a tweet or a post. This includes people seeing a post multiple times. Reach is the number of people who saw the post 'organically'; as it is shared or appeared on twitter.

- 39% of people indicated their willingness to spend more time supporting their community and there was strong interest across most of the suggested categories of support including 36% of people saying they were interested or very interested in supporting older people within their community and 29% saying that they were interested or very interested in volunteering for their local library.
- Currently 62% of respondents agreed that it was a good idea to put up council tax to protect services.



- Considering the spread of how much people were prepared to increase tax by (see above); currently 17% have indicated that they are opposed to a rise in council tax, 33% opted for a rise of between 0.5% and 1.99% and just under 50% have indicated a rise of in excess of 1.99% (a rate that would trigger a referendum).

3.13 Once the survey closes then a full analysis will be carried out including cross-tabulation of the results.

### **Business Consultation**

3.14 Many of the issues considered during the development of the Council's Business Plan affect small and medium sized businesses (SMEs) so one strand of consultation always targets this audience. There are two key parts to County Council business consultation: attending Chamber of Commerce meetings across the County and having a stall / networking at the annual B2B event, held at Quay Mill Hotel in September.

3.15 In total, 75 businesses were engaged with, 33 of these were through the in-depth discussions with the Chambers of Commerce Local Committees, with a further 42 individual discussions at the B2B event.

- 3.16 Representatives were asked about their engagement as businesses with the local community. Key examples cited included:
- Taking on apprenticeships and work experience placements
  - Direct engagement with schools and colleges, providing support to develop 'soft skills' such as CV-writing and interview preparation.
  - Supporting the promotion of appropriate waste disposal and recycling.
  - Engaging with providers / councils to seek improvement to local transport options (this was recognised as a significant block to development particularly within rural areas).

- 3.17 At the Chamber of Commerce local committee meetings, five key themes arose from discussions:

*Transport and infrastructure*

- 3.18 This was a theme common to all representatives, and was also a major part of the feedback received from businesses last year. It was recognised that improvements are taking place, and things are slowly progressing in the right direction, but that there was a lot more work to be done. It was noted that 'poor road structure stunts business growth'. Specific topics included the A14, A10, public transport, the electrification of railways and road/roadside maintenance.

*Broadband*

- 3.19 Feedback this year was much more positive than last year. Many commented they had seen an improvement in broadband speeds, but concerns were also raised about the way in which the rollout was taking place, and the results achieved (for example, the reach of provision, and the speeds promised).

*Skills and Staffing*

- 3.20 Business representatives raised concerns about staffing shortages, especially in the skilled manual labour or customer service industries. They highlighted a need for schools to provide students with a full view of all potential options for their future.

*Schools and Apprenticeships*

- 3.21 Each Committee discussed how positive apprenticeships were and the significant benefit they gave businesses. The majority of representatives had taken on apprentices and found them to be a very beneficial resource. Representatives noted difficulty in schools engaging with businesses; sometimes this was down to a general lack of awareness of local business, but there was concern that more often it was due to the stigma associated to progressing down alternative routes to university.

*The role and structure of local government*

- 3.22 Representatives from some committees discussed the role and structure of local government, and the repetitious nature of policy and planning processes. Cambridge City and South Cambridgeshire representatives identified issues where they felt that local government organisations regularly "buck-pass" questions and issues. It was noted that there needs to be a joined up approach between different parts of local government so this doesn't happen. Many felt that it was currently unclear what the County Council does to support businesses (beyond the obvious maintenance of roads and other universal services).

- 3.23 Communication processes within the Council were also discussed. It was felt that communication both with businesses and with the public was often not as strong as it could be, with a need for greater clarity and consistency of messages.
- 3.24 At the B2B event, the majority of comments focused on the accessibility of their business to their customers. For many this focused on the quality of road and rail networks, for others concern around a lack of suitable office space and broadband was raised. Key issues included:
- Advice and support
  - Communication
  - Transport infrastructure
  - Travel and congestion
  - Availability of office space
  - Broadband
- 3.25 A fuller write-up of all elements of the business plan consultation so far is attached as Appendix B.

#### **4. OVERVIEW OF DRAFT REVENUE PROGRAMME FOR PUBLIC HEALTH GRANT FUNDED SERVICES**

##### **Update on Public Health Grant funding – Comprehensive Spending Review**

- 4.1 At the start of the current (2016-21) business planning cycle, it was assumed that the Public Health Grant (PHG) would be un-ringfenced (except for an element relating to the Healthy Child programme in 2016/17 only). This means that the PHG would be treated as a corporate grant – the grant would not be allocated to the Public Health directorate (PH) but would instead be held centrally, with PH receiving cash limit funding to fund its services, and a savings target arrived at through the methodology applied to the rest of the council.
- 4.2 As part of the Comprehensive Spending Review issued on 25 November 2015, the Chancellor of the Exchequer announced that the ring-fence on the PHG would continue for a further two years to the end of 2017/18, and that there would be an average of 3.9% real-terms cuts each year to 2020/21. A further correspondence received from Public Health England confirmed firstly that these cuts are in addition to the in-year cut to the PHG in 2015/16, and secondly that they would be phased in at 2.2% in 16/17, 2.5% in 17/18, 2.6% in 18/19 and 19/20, and flat cash in 2020/21.

This means that the forecast level of PHG over the period is:

<b>£000</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	27,642	26,951	26,250	25,568	25,568

- 4.3 The treatment of the PHG as a ring-fenced grant means that any pressures caused by inflation, demography or cuts in grant must be met through reducing grant-funded expenditure. This has resulted in a revised savings target for PHG-funded expenditure in 2016/17 of £2.7million. This savings figure is formed by:

	<b>£000</b>
Inflation/Demography/Pressures	468
Income inflation	-3
15/16 grant cut rolled-forward	1613
16/17 additional grant cut	622
	<b>2,700</b>

#### **Process to date to develop new savings proposals**

- 4.4 Following the comprehensive spending review it has been necessary to rapidly develop further savings proposals for public health grant funded services, due to the additional £2.2M of savings required. . These additional proposals have been developed and prioritised on the basis of
- Maximising value for money of public health services in terms of the overall impact of the service on public health outcomes, including reduction in demand for other health and care services due to effective prevention.
  - Maximising value for money of public health services through efficiencies and transformation of service delivery .
  - Awareness of population need and where service reductions would have greatest negative impact on public health and health inequalities
- 4.5 All services have been considered for savings proposals including external contracts (which make up the majority of public health grant spending), services delivered directly by the public health directorate (about 9% of total public health grant funding) and services delivered by other County Council directorates through a Public Health Memorandum of Understand (PHMOU)
- 4.6 Due to the rapid pace of this process since the Comprehensive Spending Review, it has not yet been possible to complete Community Impact Assessments to bring to the Health Committee. The Committee will need to review Community Impact Assessments at the January meeting before making firm recommendations or endorsements on savings proposals.
- 4.7 Further discussion is also needed with service providers and internally across Council directorates of some of the savings proposals. A verbal update on this will be provided at the Health Committee meeting.

## Summary of proposals

- 4.8 Savings proposals can be classified into the following key areas with further detail being provided in Appendix A: Public Health Finance Table 3
- Reviewing services delivered directly by the Council's public health directorate
  - Reviewing health visiting and family nurse partnership services
  - Reviewing some aspects of drug and alcohol misuse services
  - Reviewing sexual health clinic services, Chlamydia screening services and sexual health promotion services
  - Reviewing a range of externally commissioned health improvement and prevention projects
  - Reviewing public health activities across the County Council which are funded through the public health grant.
- 4.9 Further analysis of the risks and community impact associated with each savings proposal will be brought to the January meeting of Health Committee. However initial comments are sought from Committee Members, to feed back into work being done to further develop the proposals, and to General Purposes Committee.
- 4.10 It remains important to note that proposals are draft at this stage and subject to further development, and that Full Council in February 2016 is the point at which proposals become the Council's Business Plan.

## 5. NEXT STEPS

December - February	Ongoing work to develop budget plan and deliver savings proposals.
January	General Purposes Committee review draft Business Plan for 2016/17.
February	Draft Business Plan for 2016/17 discussed by Full Council.
March	Publication of final CCC Business Plan for 2016/17. Ongoing work to deliver savings proposals.

## 6. ALIGNMENT WITH CORPORATE PRIORITIES

### 6.1 Developing the local economy for the benefit of all

Public health services help to maintain a healthy and productive workforce in the County, which in turn supports the local economy.

### 6.2 Helping people live healthy and independent lives

Public health services have a key role in helping people to live a healthy lifestyle and stay healthy for longer. The savings proposals identified aim to protect front line public health services which deliver this outcome.

### **6.3 Supporting and protecting vulnerable people**

Public health services are often in contact with vulnerable people, who require additional support to maintain their health. The savings proposals identified aim to protect front line public health services which have this role.

## **7. SIGNIFICANT IMPLICATIONS**

### **7.1 Resource Implications**

These savings proposals are focussed on providing best value for money.

### **7.2 Statutory, Risk and Legal Implications**

Due to continuation of the public health ring-fence until 2018/19, public health grant spend must continue to meet the grant conditions.

### **7.3 Equality and Diversity Implications**

Community impact assessments are under development for consideration at the January Health Committee meeting.

### **7.4 Engagement and Consultation Implications**

Ongoing engagement with service providers, stakeholder organisations, and across Council directorates will take place during further development of these proposals.

### **7.5 Localism and Local Member Involvement**

There are no significant implications.

### **7.6 Public Health Implications**

These are outlined in section 4 of this paper.

<b>Source Documents</b>	<b>Location</b>
Paper to November Health Committee: Service Committee review of draft revenue business planning proposals for 2016/17 to 2020/21	<a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1037">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1037</a>