

SERVICE COMMITTEE REVIEW OF THE FINAL DRAFT 2015-20 REVENUE PROPOSALS

To: **Health Committee**

Meeting Date: **20th November 2014**

From: **Director of Public Health
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 final draft Business Plan Revenue Proposals for Public Health**

Recommendation:

- a) It is requested that the Committee note the overview and context provided for the 2015-20 Revenue Proposals for Public Health**
- b) It is requested that the Committee comment on the final draft proposals for Public Health's 2015-20 revenue budgets and endorse them**
- c) It is requested that the Committee note progress against the shared public health priorities programme, which will lead to revision of the current Memorandum of Understanding for use of ring-fenced public health grant funding across County Council directorates.**

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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. The Business Plan is reviewed each year by Members and Officers prior to consideration by Full Council each February. This report forms part of the process set out in the Medium Term Financial Strategy whereby the Council updates, alters and refines its revenue proposals in line with new savings targets. This committee considered draft revenue budget proposals for Public Health at its October meeting. Since then, further work has been undertaken by officers to produce the final draft budget tables set out in Appendix A.
- 1.2 Following consideration by this committee and incorporation of any revisions requested, final budget tables will be reviewed by General Purposes Committee in December before recommending the programme in January as part of the overarching Business Plan for Full Council to consider in February.
- 1.3 The Council is facing some cost pressures that could not be absorbed within the cost of those service areas without significant impact on the delivery of those services. These were reported to General Purposes Committee in September who agreed to note the pressures.

Service Block / Description	2015-16 £000	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000
CFA: Young Carers – assessments and support	175	-	-	-	-
CFA: Deprivation of Liberty Standards	2,340	-1,540	-	-	-
CFA: Emergency Duty Team	300	-	-	-	-
CFA: Older People Service	3,000	-	-	-	-
ETE: City Deal - Adult Learning Skills	200	-	-	-	-
ETE: Waste PFI	916	336	319	341	-59
CS: Business Planning Support	50	-	-	-	-
CS: Reinstatement of Voluntary Sector Infrastructure Budget	48	-	-	-	-
CS: Exploitation of Digital solutions (<i>investment</i>)	258	-	-258	-	-
Total	7,282	-1,204	61	341	-59

Note: £50k CS: Business Planning Support pressure no longer required.

- 1.4 At the October meeting of General Purposes Committee it was requested that, at this stage in the Business Planning process, budgets should be presented on the basis of services funding any pressures/investments being put forward. The committee will consider pressures/investments individually to determine whether they will be funded corporately by sharing the additional savings burden which this would give rise to across the Council. All Committee Chairs and Vice Chairs will bring forwarded their proposals to a General Purposes Committee workshop in November for further discussion prior to the formal General Purposes Committee meeting on 2 December 2014. Until the pressures/investments are reviewed by the committee, Service cash limits / savings targets have been amended to reflect this adjustment as shown below. The budget tables in Appendix A reflect these updated figures.

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-334	+667	+43	+242	-42
Economy, Transport and Environment	-58	-500	-311	-297	+52
Public Health	-	-49	+4	+22	-4
Corporate and Managed Services	+84	-69	+261	+19	-3
LGSS Operational	+308	-49	+2	+14	-2

2. SUMMARY OF THE FINAL DRAFT REVENUE BUDGET

- 2.1 In order to balance the budget, savings of £32.1m are required for 2015-16 and a total of £121.7m across the full five years of the Business Plan. The following table shows the total amount of savings / increased income necessary for each of the next five years, split by service block.

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-25,238	-25,566	-19,288	-16,066	-7,173
Economy, Transport and Environment	-4,491	-5,339	-3,925	-2,882	-1,170
Public Health	-764	-140	-131	-758	-416
Corporate and Managed Services	-882	-2,365	-443	-326	-568
LGSS Operational	-735	-793	-1,037	-774	-391
Total	-32,110	-34,203	-24,824	-20,806	-9,718

- 2.2 In some cases services have opted 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. While Services have considered the gap across the full five year planning period when developing savings proposals, the focus has been on 2015-16 as it is a statutory requirement to present a balanced budget for the following year. At this stage in the Business Planning Process the remaining unidentified savings are as follows:

Service Block	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
Children, Families and Adults	-	-13,572	-10,992	-15,666	-6,773
Children, Families and Adults (DSG funded)	-	-318	-361	-400	-400
Economy, Transport and Environment	-	-1,496	-917	-2,876	-1,170
Public Health	-	-	-	-	-
Corporate and Managed Services	-	-343	184	-31	-289
LGSS Operational	-	-	-	-	-388
Total	-	-15,729	-12,086	-18,973	-9,020

3. FEES AND CHARGES

- 3.1 Fees and charges are a very important source of income to the Council, enabling important services to be sustained and provided. As outlined in the Medium Term Financial Strategy, some fees and charges have not been

routinely reviewed by Council to consider how income generated through fees and charges can support the delivery of corporate objectives. Therefore, as part of this year's Business Planning process, a schedule of proposed fees and charges relating to the areas within their remit is being presented to each Service Committee for their review.

- 3.2 There are no fees and charges for public health services, because these remain part of the comprehensive health service, free at the point of delivery. Therefore charging for public health services would fall outside the conditions of the public health ring-fenced grant.

4. CAPITAL PROGRAMME UPDATE

- 4.1 The draft Capital Programme, which does not include any public health schemes, was reviewed individually by Service Committees in September and has been subsequently reviewed in its entirety, along with the prioritisation of schemes, by General Purposes Committee in October. There are no public health schemes in the Capital Programme. No changes have been made as a result of these reviews. However, Services have continued working on the programme to update it for the latest known position. These amendments include the following changes to borrowing:

- updates for the Ely Crossing scheme, including rephasing, increased cost (£1m) and reduction of other funding sources (£5m);
- updates to the general capital receipts estimates, including rephasing and increased receipts (-£1.7m);
- reduction in capital receipts for Morley Memorial school (£1m);
- increased cost for Maple Grove school as a result of including additional early years capacity (£1.1m);
- reduced cost for the Swavesey Village College expansion due to reduction in scope as the school cannot attract match funding (-£1.7m)
- addition of the Heritage Lottery Fund contribution scheme (£0.2m);
- removal of the St Peter's school, Huntingdon scheme (-£1.1m);
- updates to 2015-16 spend as a result of the revised 2014-15 forecast outturn position (i.e. rephasing) for various schemes; and
- updates to indexation for some school schemes.

- 4.2 As a result, revised borrowing levels included within the draft Capital Programme result in the following levels of revenue debt charges:

Financing Costs	2015-16 £'000	2016-17 £'000	2017-18 £'000	2018-19 £'000	2019-20 £'000
2014-15 agreed BP	39,227	43,577	44,382	44,870	-
2015-16 draft BP as per October committee cash limits	37,605	41,654	41,458	41,810	41,943
2015-16 draft BP as per current capital programme	36,716	41,554	42,283	42,354	42,501
Change since October	-889	-100	825	544	558

- 4.3 Despite the shortfall of £32m in Department for Education Basic Need funding as a result of the 2014-15 funding announcements, re-working, removing and rephasing schemes within the programme has actually managed to achieve a saving on the debt charges budget when compared to the 2014-15 Business Plan.

5. OVERVIEW OF PUBLIC HEALTH'S DRAFT REVENUE PROGRAMME

- 5.1 There has been no change to proposals since the October meeting of the Health Committee which considered the Public Health draft revenue programme in detail. Proposals are as follows:

Inflation and demography

- 5.2 The total cost pressure on public health budgets from inflation and demography is £367k. This requires equivalent savings to be made to absorb these pressures. Following endorsement of the approach by October Health Committee, providers of commissioned public health services have been sent a letter explaining that there will be no inflationary cash uplift to contracts in 2015/16, with an offer of support from public health commissioners to identify cost improvement programmes if required. This will cover £292k of the pressure identified. A verbal update will be provided to the Health Committee on any concerns which arise.
- 5.3 Within the public health directorate, savings of £72k will be made against agency costs, vacancies, and non-pay costs to cover increased requirements from inflation and demography.

Savings and investments

- 5.4 Although there is no 'new' funding to invest in public health programmes in 2015/16, it is proposed that savings will be made against current public health budgets and services in order to invest in preventive services which reflect Health Committee priorities. This approach is necessary in order to ensure that the benefits of transferring the public health function to the County Council are fully realised. The identified savings proposals are:

Sexual health promotion £120k: Sexual health promotion has been incorporated into the new sexual health services contract with CCS. Therefore a separate sexual health promotion budget within the public health directorate should no longer be required. Services provided by DHIVERSE are unaffected.

Dental public health £30k: The majority of dental public health promotion can be incorporated into broader health promotion work on nutrition and lifestyle.

Smoking cessation £200k: The reduction in usage of smoking cessation services seen nationally, regionally and locally, and thought to be associated with electronic cigarette use, has resulted in forecast savings to prescribing budgets (Nicotine Replacement Therapy) and payments to GP practices and pharmacies.

QUIT telephone line 50k: The dedicated QUITline service for smoking cessation has been decommissioned as it was not cost effective, and the associated workload has been picked up through the in-house CAMQUIT service.

- 5.5 The following preventive investment proposals have been identified in line with Health Committee priorities following benchmarking of Cambridgeshire County and Districts against the the national public health outcomes framework and review of the wider evidence base:

Children and young people's mental health 80k: Improved access to voluntary sector specialist counselling services for young people, as part of a wider programme to reduce hospital admissions for self-harm.

Public mental health strategy 120k: A preventive strategy for public mental health is being developed in 2014/15 (see separate scoping paper to October Health Committee). This funding will be used for strategy implementation i.e. interventions to improve mental health and prevent development of mental illness. .

Health inequalities - Reducing smoking prevalence 90k: Investment in a regional collaboration for tobacco control. There is evidence from other parts of the UK of impact and cost effectiveness of this approach to reducing smoking prevalence, therefore preventing future cases of cancer, respiratory conditions and heart disease/stroke.

Health inequalities - Workplace health support 45k: Increased support to employers across the county to improve and maintain the health of their workforce, with a focus on businesses employing manual workers.

Health Inequalities – Healthy Fenland fund £65k: Provide a staffing and communications infrastructure for a Healthy Fenland fund to address health inequalities using a community engagement approach. The fund will be pump-primed with non-recurrent revenue savings from the public health ring-fenced grant 2014/15, totalling £500k.

5.6 The key risks remain unchanged and include:

- Providers of commissioned public health services do not accept the requirement for cost improvement programmes to meet pressures from inflation and demography, and make proposals to reduce service levels. Proposed mitigation: Public health team to work with providers to identify cost improvement programmes through the contract negotiation process.
- Demand for smoking cessation services increases, so projected savings are not achieved. Mitigation: Use of ring-fenced public health reserve while other savings are identified.
- It is not possible to agree a regional collaborative approach to tobacco control with other local authorities. Mitigation: Identify opportunities to commission services from regional tobacco control collaborations outside the East of England.
- Transfer of funding for the Healthy Child Programme age 0-5 is not sufficient to cover commissioning support costs. Mitigation: response to consultation when draft allocations are released.

5.7 It was agreed at the October meeting of the Health Committee that the Director of Public Health would provide a response to the national Consultation on the Health Premium Incentive Scheme for local authorities, in consultation with the Chair and Vice-Chair of the Committee. The response is attached at Appendix B

5.8 The development of a 'Shared public health priorities' programme with Directorates across the County Council was proposed and endorsed in a paper to Health Committee in July 2014. Updates were provided in the paper 'Update on Public Health Business Planning 2015/16, including Shared Priorities' to Health Committee in September 2014 and '. The Shared Priorities programme will inform the content of a revised 2015/16 Public Health Memorandum of Understanding for use of the public health grant across

Council directorates.

- 5.9 Five shared priorities for public health outcomes, which reflect the Health Committee priorities of mental health, transport and health, and addressing health inequalities, have been identified as outlined in the update to September Health Committee. The shared priorities all have a preventive focus which should reduce future pressures on public services. Project teams have been established across County Council directorates to develop joint action plans for each shared priority. These plans will inform the content of the revised Public Health Memorandum of Understanding for 2015/16. The five shared priorities are as follows:

Shared priorities with the Children, Families and Adults Executive Directorate:

- Reducing self-harm amongst children and young people
- Improving older people's mental and physical wellbeing, through promoting physical activity and falls prevention

Shared priority with Economy, Transport and Environment Executive Directorate:

- Reducing road traffic injuries and deaths

Shared priorities with both Economy, Transport and Environment Executive Directorate and Customer Services and Transformation Directorate

- Increasing physical activity through active travel (walking and cycling) – with a focus on parts of the county with low physical activity rates.
- Engaging with communities in Fenland

- 5.10 A detailed paper including the draft action plans from the Shared Priorities project teams will be brought to Health Committee in January, for comment and endorsement.
- 5.11 All Committees have been asked to review key performance indicators for the 2015/16 Business Plan. The addition of indicators measuring progress in addressing health inequalities is also proposed. This follows approval of a motion to the Council on 22nd July to “*Identify a small number of key performance indicators relevant to the issue of multiple deprivation within each Committee area, and set measurable targets for improvement against these indicators*”.
- 5.12 Proposed changes to the Key performance indicators for 2014/15 are:
- **Differences in life expectancy between areas of Cambridgeshire.**
Proposal for 2015/16: Remove this indicator
Rationale: Information governance issues which initially caused problems and delays with this indicator are now resolved. However factors affecting life expectancy are long term and wide ranging, and therefore the indicator is not a suitable routine performance measure. We will continue to regularly track life expectancy changes in areas of Cambridgeshire.

- **The percentage of children weighed and recorded as obese according to the national childhood measurement programme (measured annually)**
Proposal for 2015/16: Retain this indicator
Rationale: This is a robustly measured indicator which is a mandatory public health function for the Council, and has a significant issue on the future health of local children and young people.
- **The number of people successfully quitting smoking with support from stop smoking services as measured at four weeks (measured monthly).**
Proposal for 2015/16: Retain this indicator
Rationale: Smoking cessation with support from Stop Smoking Services continues to be a highly effective intervention to improve health. This target would need to be reduced as the numbers of people seeking support has fallen nationally and locally with increasing use of electronic cigarettes.
- **The number of health checks offered to people aged 40-74**
Proposal for 2015/16: Change the indicator to the number of health checks delivered to people aged 40-74
Rationale: Health checks is a nationally mandated public health programme for delivery by local authorities. The health checks actually delivered rather than those offered are most likely to impact on people's health.

5.13 The following proposals are put forward for indicators in relation to areas of multiple deprivation:

- The three key performance indicators for public health outlined above should be measured separately for the 20% of small areas of Cambridgeshire with the highest index of multiple deprivation (IMD) scores. The delivery of public health services in these areas of higher deprivation can therefore be compared with delivery in the rest of the County. The number of people successfully quitting smoking should also be monitored separately for routine and manual occupational groups (see below).
- Public health outcomes framework indicators which demonstrate key county-wide health inequalities related to income and employment should be monitored against a five year target trajectory:
 - Children eligible for free school meals and pupil premium achieving a good level of development at end of reception (county-wide)
 - Smoking prevalence for adults in routine and manual occupations (county-wide)
- Public health outcomes framework indicators for Fenland district – with a focus on health behaviours which increase the risk of future illness and disability should be monitored against a five year target trajectory:
 - Children aged 4-5 classified as overweight or obese
 - Proportion of adults classified as overweight or obese
 - Physically active adults
 - Physically inactive adults
 - Adult smoking prevalence

- Working days lost due to sickness absence

6. ALIGNMENT WITH CORPORATE PRIORITIES

6.1 Developing the local economy for the benefit of all

The majority of investment proposals will improve the health of adults of working age, and therefore improve the economy through reduced sickness absence and loss to the workforce.

6.2 Helping people live healthy and independent lives

All investment proposals will help people to live healthier lives, and reduce the risk of developing long term conditions which potentially reduce their independence.

6.3 Supporting and protecting vulnerable people

Improved access to voluntary sector counselling services will support vulnerable young people. The public mental health strategy is also likely to have a positive impact on vulnerable groups, through priorities such as reducing bullying and stigma. Smoking rates and smoking related illness are higher in more vulnerable groups.

7. SIGNIFICANT IMPLICATIONS

7.1 Resource Implications

The report as a whole sets out the resource implications of the revenue proposals for the 2015/16 business plan. Details are provided in Annex A

7.2 Statutory, Risk and Legal Implications

Spend of the public health ring-fenced grant must comply with nationally determined grant conditions.

7.3 Equality and Diversity Implications

Draft community impact assessments for all savings and investment proposals are attached at Annex B and will be updated as further information becomes available. The 'Healthy Fenland fund' will aim to address geographical inequalities in health outcomes which have been clearly demonstrated through local and national data.

7.4 Engagement and Consultation Implications

Questions about the Council's role in helping local residents to be healthy and support for good mental health, were included in this year's public consultation on the Business Plan.

7.5 Localism and Local Member Involvement

The development of a 'Healthy Fenland' fund using a community engagement approach has potential for Local Member involvement.

7.6 Public Health Implications

The purpose of public health business planning is to improve health of Cambridgeshire residents including improving the health of the worst off fastest.

Source Documents	Location
<p>'Service Committee Review of the Draft 2015- 20 Revenue Proposals'. Paper to Health Committee 16th October 2014</p>	<p>http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=881</p>
<p>Update on Public Health Business Planning 2015/16 including shared Public Health priorities</p>	<p>http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=880</p>
<p>Health Premium Incentive Scheme 2014/15 and Public Health allocations</p>	<p>https://www.gov.uk/government/consultations/health-premium-incentive-scheme-and-public-health-allocations</p>