Communities Committee

Item No……

Report title:	**Public Health Strategy: Principles, Priorities and Finance Plan**
Date of meeting:	**27 January 2016**
Responsible Chief Officer:	**Dr S.J. Louise Smith Director Public Health**

Strategic impact

Agree an approach to public health strategy, confirm public health priorities for Norfolk, agree outline budget proposals and agree some key commissioning decisions.

Executive summary

This report sets out a vision and set of guiding principles to inform a public health strategy which is being developed to ensure that the Council's investment in public health supports the overarching Norfolk County Council strategy and priorities of good education, jobs, infrastructure, supporting vulnerable people, and delivers the mandated public health functions of a top tier council.

The report also sets out outline proposals for budget adjustments in line with the reduced funding recently announced by the Chancellor in the Autumn Statement as well as ensuring that emerging priorities are considered.

Reductions are proposed across all service areas, including the provision for cross cutting subsidies, with a relative protection proposed for Children and Young People. Furthermore, in order to protect some services targeting vulnerable groups it is proposed that the current reprocurement of an integrated healthy lifestyle service is discontinued and new proposals focussed on just specialist stop smoking support and workplace health are brought to a future committee.

Recommendations:

1. **Agree the vision and principles to inform public health strategy**

2. **Approve the revised public health budget proposals, reducing the offer of cross cutting subsidies to £1.555m in 2016-17 and then to £0.75m from 2017-18 onwards**

3. **Approve the direction of proposals for public health investment and savings**

4. **Agree priorities for continued investment: outreach and enhanced support for vulnerable groups**

5. **Agree that the procurement for an Integrated Healthy Lifestyle service should be discontinued and replaced with services for workplace health promotion and specialist stop smoking support only**

1. Proposal

1.1 A vision and set of guiding principles to inform public health strategy is proposed below. Based on these, Norfolk County Council's priorities, the Joint Health and Wellbeing Strategy and the duties of the Director of Public Health, a framework is emerging. Subject to committee approval this will be used to develop public health strategy.

1.2 The recently announced reductions in the ring fenced public health grant mean that the public health budget proposals presented to committee in October 2015 need to be revisited. A revised budget is presented that proposes setting the future cross-cutting subsidy to other directorates at £1.555m in 2016-17 (a reduction of £0.925m which is equivalent to the unforeseen additional grant reduction) and then £0.75m from 2017-18 onwards. This would cover all the currently identified activities, mainly across children's and adults services, as well as providing an opportunity to fund new collaborative projects with other directorates.

1.3 A set of outline proposals for budget adjustments is presented, in line with the reduced funding and emerging priorities. Reductions are proposed across all service areas, with a relative protection proposed for Children and Young Peoples services. To protect some services targeting vulnerable groups (teenage mums, young people and those at risk of poor sexual heath) it is proposed that the current reprocurement of an integrated healthy lifestyle service is discontinued and new proposals focussed on just specialist stop smoking support and workplace health are brought to a future committee.

2. Evidence: A Public Health Vision and Priorities

2.1 A public health strategy is being developed to ensure that the Council's investment in public health supports the overarching Norfolk County Council strategy and priorities of good education, jobs, infrastructure; and supporting vulnerable people; and delivers the mandated public health functions of a top tier council.

2.2 The proposals must also take into account the statutory Duties of the Director of Public Health.

Statutory Duties of the Director of Public Health

2.3 The Health and Social Care Act 2012 sets out the statutory requirement for local authority leadership of Public Health, and gives the Director of Public Health responsibility for:

- All of the local authority's steps to improve public health
- Public health protection or improvement functions delegated by the Secretary of State
- Planning for, and responding to, emergencies that present a risk to public health
- Supporting the local Health and Wellbeing Board

- The local authority's public health response as a responsible authority under the Licensing Act 2003

2.4 The supporting statutory instrument agreed with the Health and Social Care Act 2012 stipulated a set of mandatory functions to:

1. Provide appropriate access to sexual health services
2. Protect the health of the population
3. Provide NHS commissioners with public health advice to support their commissioning and duty to reduce inequalities in health
4. Fulfil the requirements of the National Child Measurement Programme
5. Provide NHS Health Check assessments

In addition the ring fenced public health grant now includes the council's funding allocation for providing

6. Services to address drug and alcohol misuse
7. The Healthy Child Programme services (Health Visitors and school nurses).

A Public Health Vision

2.5 For us, success will mean that:

- People in Norfolk aspire to, and live a healthy happy fulfilled life and we empower people to make informed choices.
- We protect the health of those who are not able to protect themselves.
- Good health will be valued as an important building block for high educational attainment and fitness to work.
- The important influence that employment and good jobs have on health will be optimised.
- We work in partnership to make best use of the assets of all stakeholders.
- We have a clear picture of the health needs and provide the evidence base to address these needs.

2.6 In order to deliver this, we will make decisions using a set of guiding principles, which draw on national expertise[1] . We will seek to:

- Reduce the risks of ill health that people might impose on others. For example through treating sexually transmitted infections, and reducing smoking prevalence.
- Pay special attention to the health of children and other vulnerable people, including the commissioning of the health visitor and school nurse services.
- Promote health improvement by providing information and advice such as through the NHS Health Check.
- Provide services to help people to overcome addictions and other unhealthy behaviours, commissioning drug and alcohol treatment services, promoting physical activity through Active Norfolk.
- Aim to reduce causes of ill health by addressing environmental conditions and by working with district councils.

[1] A Stewardship Model – Nuffield Council on Bioethics

- Aim to support people to make healthier choices, and support employers to promote healthy workplaces.
- Ensure that people have appropriate access to sexual health services.

Key priorities

2.7 Considering these principles, the re-imagining Norfolk priorities, the duties of the Director of Public Health, the goals of the Joint Health and Wellbeing Strategy[2] and the mandated elements of the ring fenced public health grant a number of priorities are emerging:

Theme	Aim	Key Actions
Children and Young People	Protecting and promoting the health of children & young people.	Commissioning the mandated elements of the Healthy Child Programme (health visitors and school nurses) prioritising the most vulnerable. The National Child Measurement Programme (measures obesity in children). Integrating with children's services e.g. early help hubs Supporting safeguarding and chairing the Child Death Overview Panel Commissioning a sexual health service (including adults)
Health and Social Care	To support NHS & social care commissioning and prevent increasing demand.	Commissioning core public health services provided by the NHS Supporting NHS commissioning especially health and social care integration
Healthy Living, Healthy Places	Helping people to live healthily to prevent avoidable death and disability.	Integrating health improvement approaches with district councils Workplace health Tobacco Controls and stop smoking services
Health Protection & Community Safety	Protecting people from harm.	Commissioning drug and alcohol treatment services Public health aspects of mental health and domestic abuse[3] Public health input into emergency planning, protection and resilience
Strategy and Performance	Ensuring our actions are evidence based and value for money.	Production of an Annual Director Public Health Report

[2] The Health and Wellbeing Board key goals are to increase service integration, promote prevention and reduce health inequalities.

[3] With drugs and alcohol misuse this is the 'toxic trio that place children at high safeguarding risk

		Epidemiology and intelligence, Joint Strategic Needs Assessment Health and Wellbeing Board

3. Financial Implications

3.1 To deliver these activities, the Department of Health allocate a ring fenced funding grant to top tier councils. Using this, we have a portfolio of commissioned services and implementation projects proposed for 2016 – 2019 that are based on evidence and best practice. Many public health services have a strong economic base, delivering returns on investment and so ultimately saving to the public purse across health and social care. The proposed investments are shown in **Appendix I**.

3.2 The services that public health commission include large investments in services for drugs and alcohol misuse treatment, health visitors and school nurses, sexual health treatment and NHS Health Checks. We face a number of demographic challenges commissioning these services as needs and demands are increasing with population growth, changing lifestyles and the costs arising from new medical technology. We have moved a number of contracts on to a block, or fixed fee basis, however this is not possible for all services and some are still paid for on a 'fee per item' activity basis (for example prescription costs).

Historical funding

3.3 Historically, the public health grant allocation to Norfolk has been low compared to other areas. The spend and outcomes chart in Appendix II below shows better than average public health outcomes and below average spend.

3.4 Within this budget, the public health directorate has a higher than average spend on health improvement (with higher than average outcomes too). By contrast spending on children's public health has been markedly below average with average outcomes. This has recently changed with the increased investment associated with the newly procured 0-19 Healthy Child Programme. Also of note is our investment in drug and alcohol services which is not delivering outcomes associated with its costs and this service will be reviewed.

Current Budget Challenge

3.5 An indicative public health budget was agreed October 2015, however this needs to be revisited in the light of the further grant reductions announced in the autumn spending review. The Chancellor talked about savings in the public health grant, which will be an average real terms saving of 3.9% to 2020/21.

3.6 This translates to a cash reduction that will be levied to the baseline public health grant[4]. The baseline allocation has been re-set at 6.2% below 2015/16, equivalent to a £2.324m reduction. In addition, the funding allocation will be

[4] This re-set baseline takes into account an increase in income to fund health visitors. It is equivalent to the £2.334m that was 'clawed back' in 2015/16.

further reduced: by 2.2% (£925k) in 2016/17, 2.5% in 17/18, and 2.6% in each of the two following years. We have not yet been formally notified of the value of the grant allocation for 2016/17, however we have based our planning on the information currently available to us.

3.7 In the budget presented in October 2015 a level of public health savings was requested to allow the use of the public health grant in cross-cutting subsidy of public health work undertaken in other Council Directorates. A nominal sum was set for 2015/16 of £1.2m. For 2015/16 £750k has been identified to cross fund activity mainly related to drug and alcohol work in Children's and Adults care services. Despite a considerable number of meetings and conversations very few further cross-cutting collaborations have been identified by other directorates, although we will continue to look for new opportunities.

3.8 For 2016/17 a total cross-cutting subsidy of £2.480m was proposed. These funds are now partially subsumed by the unforeseen reductions in the ring fenced grant (£0.925m). Taking into account these funding reductions and recognising the absence of clear proposals it is proposed that the cross-cutting subsidy is reduced to £1.555m for 2016-17 and £0.75m from 2017-18 onwards; the latter figure being considered as realistically sustainable.

3.9 Table 1 below shows the anticipated grant allocation, future reductions and the proposed changes to the cross cutting subsidy. As the table shows, if all of the public health proposed savings were delivered[5], and the cross cutting saving reduced, the budget would balance; however this would require all of the current reserves leaving no room for cost pressures.

Table 1: Proposed Public Health Budget 2016-19

	2016 - 17 £,000	2017 - 18 £,000	2018 - 19 £,000
PH Grant	43,804	43,804	43,804
Less DH In Year Savings (6.2%)	(2,324)	(2,324)	(2,324)
Less Autumn Savings Review	(925)	(1,953)	(2,996)
Revised Grant Funding	40,555	39,527	38,484
Other Income	2,343	2,343	2,343
Total Funding	42,898	41,870	40,827
Reserve B/F	2,926		
Proposed Budget	44,270	41,062	40,004
Cross Cutting Subsidies	(1,555)	(750)	(750)
Financial Year Surplus (Shortfall)	0	59	73

[5] These are described in detail below.

4. Issues and risks

4.1 To deliver this budget a number of savings are proposed across the public health directorate. In considering ways to reduce spending we have used some strategic principles:

- Reducing demand for services – a strategic approach to prevention
- Value for money strategies
- Absorption, and prioritisation of what is absorbed, from public health tasks the council already does [the cross cutting subsidies]
- Application of public health technical skills in population needs assessment and data analysis

There are a range of proposals contained within each of these budget lines.

Savings plan for 2016/17

4.3. The majority of savings in 2016/17 are derived from efficiencies that are already in the process of being delivered: reductions in staffing with turnover and a recruitment freeze, efficiencies generated from redesign and procurement of services.

4.4 There would, however, be some redesign of commissioning to reduce outreach Health Checks (the core service would be continued), roll all of our physical activity promotion into one countywide strategy and to re-negotiate some contract unit costs.

Children and Young People's Outreach Support in 2016/17

4.5 In 2016/17 there are a small number of voluntary sector contracts [c£360k] that provide sexual health advice and outreach; and support for young people with drug addiction. The contracts are due to expire in 2016 and the services would not be re-procured under current budget proposals. In addition there was an HIV social support and advice service commissioned by NCC Adult Care Services that is also proposed for decommissioning.

4.6 These services need to be reviewed as they were designed before the recommissioning of the larger public health services. This means there are some duplications of service provision. However these services target some of our most vulnerable residents including those living with HIV (more common in some ethnic minorities), teenage mums, LGBT groups and travellers and there would be gaps left if we did not commission any voluntary sector support and outreach.

4.7 If a baseline level of outreach support were agreed as a priority, there may be an opportunity to re-design more integrated and focussed services within a reduced budget envelope. However this would require savings to be found elsewhere.

Future savings required for 2017/19

4.8 As shown in Appendix IV there are some challenging budget reductions required. These will require renegotiation of existing contracts to reduce investment in the 0 – 19 healthy child service (c£2m), sexual health services (c£0.8m), reducing health improvement services (c£0.2m) as well as re-designing and re-procuring Drug and Alcohol treatment and recovery services.

4.9 None of these savings will be risk free as many are dependent on the provision of clinical staff, already under contract, and provided by a limited and specialist market of care providers. Some of the services are activity-based and so in year costs are subject to external demand which can be difficult to influence. The savings proposed for 2017/18 include proposals to reduce some intensive health visitor support services for teenage mums (c£0.6m of the £2m total).

4.10 Taken together, the potential reduction of funding for children, young people and vulnerable groups totals about £960k.

The Integrated Healthy Lifestyles Service

4.11 An alternative option for the Communities Committee to consider is the Integrated Healthy Lifestyles service. The Communities Committee approved the reprocurement of this service in September 2015. Taking into account committee's views the service was redesigned on a reduced envelope (£2m reduced from £3.5m).

4.12 Current services are most strongly focused on health trainers. Recent analysis has shown that the Health Trainer element of the service is currently costing about £650 per client who sets a personal health plan. This compares poorly to other services available, including stop smoking services and commercial weight management services that typically cost <£100 for a similar duration of intervention. The current service attracts about 35% of its clients from targeted groups such as deprived areas, those with learning disabilities, and people in routine and manual occupations.

4.13 The new service design seeks to target those with higher lifestyle health needs and retains all of the elements of the current services: health trainers, specialist stop smoking advice (especially pregnant women and those with mental health conditions) and workplace health (to reduce sickness absence for employers). However the health trainer element is an expensive element as it is based on a cohort of staff, and emerging public health strategy shows a need to strengthen our approach to workplace health and pregnant smokers.

4.14 The contract tender for the new service has been advertised and pre-qualification questionnaires have been submitted and evaluated. We have paused the reprocurement pending committee advice and confirmation of budget, and no bidders have yet been formally invited to submit a full tender. Thus there is a window of opportunity to reconsider.

4.15 It is proposed that the reprocurement is suspended and that committee ask public health to revisit our proposals with a view to continuing to commission specialist stop smoking services and workplace health support but discontinue the commissioning of health trainers. Such an approach would potentially reduce costs by about £1m but place at risk a cohort of staff currently providing health training.

5. Background

Appendix I	2016/17 Investment proposals for public health
Appendix II	Spend and outcomes for public health
Appendix III	Spend and Outcomes within the public health budget
Appendix IV	Savings proposal for public health budget

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

Officer Name: Dr S J Louise Smith, Director of Public Health
Tel No: 01603 638 407
Email address: louise.smith@norfolk.gov.uk

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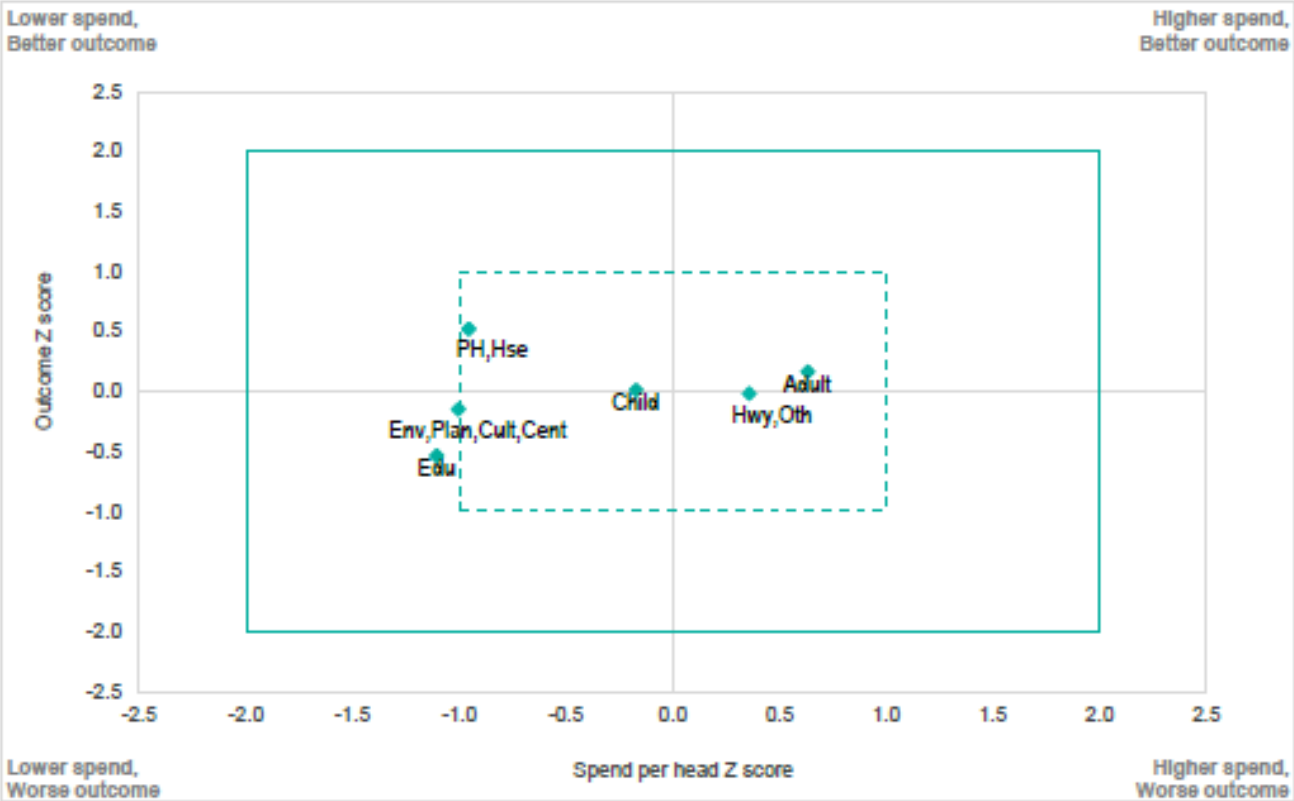
2016/17 Investment proposals for public health

Appendix I

	Spend £'000			Brief summary of outcomes
	2016/17	2017/18	2018/19	
Business & Staffing	3,763	3,716	3,716	Service delivery & organisational costs
Children & Young People	17,599	16,140	15,390	Delivering health visitors and school nurse Early interventions and prevention supporting parents & children.
Reducing Early Mortality [Healthy Living]	3,032	3,156	3,000	Health Trainer Service Physical Activity NHS Health Checks Workplace Health Integrated Healthy Lifestyle Service
Minimising Risk & Harm [Health Protection]	9,513	7,818	7,724	Sexual Health Services Smoking Cessation & Tobacco Control Voluntary Sector Contracts
Communities	249	225	180	Programme of work to support locality work with District Councils and Communities.
Drugs and Alcohol	9,989	9,899	9,887	Community based treatment & recovery services for adult substance misuse issues in the community and Norfolk prisons
Health Information & Intelligence	125	107	107	Joint Strategic Needs Assessment
Total Spend	**44,270**	**41,062**	**40,004**	

Spend and outcomes for public health in comparison to other policy areas

Appendix II



Z score:
A z score essentially measures the distance of a value from the mean (average) in units of standard deviations. A positive z score indicates that the value is above the mean, whereas a negative z score indicates that the value is below the mean. A z score below -2 or above +2 may indicate the need to investigate further. Each dot represents a programme budget category.

Interpreting the chart:

Each dot represents a programme budget category. The outcome measures on the chart have been chosen because they are reasonably representative of the programme as a whole. This means that for Other and Total programmes no outcome data is available. The source data for the outcome measures shown on the chart can be found in the Spend and Outcome Tool.

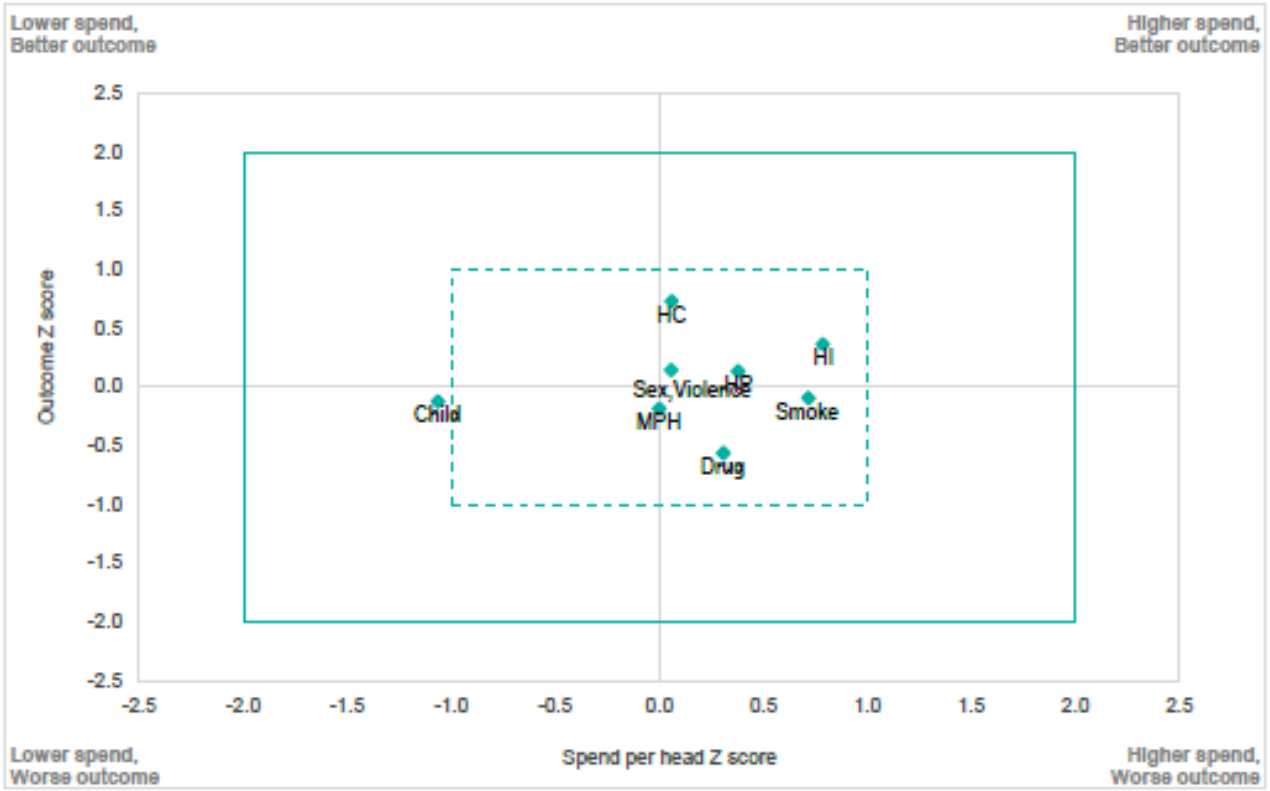
A programme lying outside the solid +/- 2 z scores box, may indicate the need to investigate further. If the programme lies to the left or right of the box, the spend may need reviewing, and if it lies outside the top or bottom of the box, the outcome may need reviewing. Programmes outside the box at the corners may need a review of both spend and outcome. Programmes lying outside the dotted/thin +/- 1 z score box may also warrant further exploration.

Details of the specific spend and outcome measured used are available in the Reference tab.

Local authority quadrant chart key	
Adult	Social Care (Adult)
Cent	Central
Child	Social Care (Children)
Cult	Cultural
Edu	Education
Env	Environment & Regulatory
Hse	Housing
Hwy	Highways
Oth	Other
PH	Public Health
Plan	Planning

Spend and Outcomes within the public health budget

Appendix III



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Public health quadrant chart key

Child	Child PH	MPH	Mental PH
Drug	Drugs & Alcohol		
HC	Healthcare PH	Sex	Sexual Health
HI	Health Improvement		
HP	Health Protection		
MPH	Mental PH		
Violence	Violence & Injury		

Savings proposal for public health budget

Appendix IV

	2015 - 16	2016 - 17		2017 - 18		2018 -19		2016 - 19 Total Savings		
	Budget £,000	Budget £,000	Savings £,000	Budget £,000	Savings £,000	Budget £,000	Savings £,000	£,000	%	Detail
Business and Staffing	**5,241**	**3,763**	**1,478**	**3,716**	**47**	**3,716**	**0**	**1,525**	40.5%	* Current vacancies not filled (19.5 FTE) * Reduction in organisational costs
Children & Young People	**10,709**	**17,599**	**-9**	**16,140**	**1,459**	**15,390**	**750**	**2,199**	12.5%	* Family Nurse Partnership (£0.6m) * Healthy Child Programme (£0.2m) * Homestart (£0.2m) * Re-negotiation of HCP Contract (£0.8m) * Healthy Schools programme (£0.4m)
Reducing Early Mortality	**3,909**	**3,032**	**816**	**3,156**	**63**	**3,000**	**156**	**1,036**	34.2%	* Reduction in Health check spend (£0.4m) * Reprocurement of Smoking Cessation within IHLS (£0.5m) * Reduction in Physical Activity Spend (£0.1m)
Minimising Risk & Harm	**10,325**	**9,513**	**812**	**7,818**	**1,695**	**7,724**	**94**	**2,601**	27.3%	* Sexual Health Primary Care (£0.2m) * Negotiation tariffs "Out of Area" activity (£0.1m) * Sexual Health Primary Care (£0.3m) * Sexual Health iCaSH (£0.4m) * Smoking Cessation Primary Care (£0.5m) * Voluntary sector contracts (£150k)
Communities	**178**	**249**	**20**	**225**	**15**	**180**	**0**	**35**	14.1%	* Reduction in grants
Drugs & Alcohol	**11,688**	**9,989**	**977**	**9,899**	**90**	**9,887**	**12**	**1,079**	10.8%	* NYOT Substance Misuse (£43k) * Substance Misuse - Primary Care (£40k) * Recommission of Detox Beds (£636k) * Recommissioning of Matrix Project (£164k)
Health Information & Intelligence	**133**	**125**	**8**	**107**	**18**	**107**	**0**	**26**	19.6%	*Providing specialised health information and intelligence support to both Public Health and other Directorates
Total	**42,183**	**44,270**	**4,094**	**41,062**	**3,369**	**40,004**	**1,012**	**8,475**	19.1%	