

Cabinet 10th May 2016	 TOWER HAMLETS
Report of: Somen Banerjee, Director of Public Health, Denise Radley, Director of Adult Services	Classification: Unrestricted
Public Health Savings Proposal	

Lead Member	Councillor Whitelock Gibbs, Cabinet Member for Health
Originating Officer(s)	Somen Banerjee, Director of Public Health
Wards affected	All wards
Key Decision?	Yes
Community Plan Theme	Healthy and Supportive

Executive Summary

In 15/16 and 16/17, the public health grant allocation from the Department of Health has been reduced. This has resulted in a loss of public health reserves to fund any additional pressures on the budget as well as reduced funding for 16/17. For Tower Hamlets this means that savings of £5m are needed in 16/17 to meet the public health grant allocation of £36.9m.

This is a pre-consultation paper for the first phase of public health savings. It follows two previous papers on Public Health savings proposals and sets out proposals for savings of £2.3m for consultation from mid May to mid June to determine final savings. A further paper will be written for discussion at MAB on the remaining £2.7m.

The paper sets out:

1. Why public health investment is needed
2. What the public health grant is for
3. Why the savings are needed
4. How savings proposals have been prioritised
5. What savings have been proposed and why
6. Potential risks and mitigations
7. Plans for consultation

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree for the proposal to go out consultation from the 11th May 2016 until 8th June 2016.

1. REASONS FOR THE DECISIONS

- 1.1 To make progress on the required public health savings.

2. ALTERNATIVE OPTIONS

- 2.1 To do nothing would result in a substantial overspend.
- 2.2 To make savings in different areas, although the areas remaining that were reviewed were considered to be of higher priority or mandatory.

3. DETAILS OF REPORT

- 3.1 See the attached paper entitled 'Public Health Savings Proposals'

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The overall Public Health grant allocation for 2016/17 is £36.883m in 2016/17, including funding for 0-5 year old provision which transferred to all Councils nationally in October 2015. This is a reduction of £3.1m on previous years.
- 4.2 The service has identified that current projections indicate that total savings of up to £5m will need to be delivered in order for Public Health expenditure to be contained within the grant allocation in 2017/18. Savings proposals totalling £2.3 million have been identified to date as deliverable in the current financial year, with further proposals to be identified to deliver the full savings requirement for 2017/18.
- 4.3 Given the level of savings required, a robust monitoring arrangement will need to be established to ensure the savings are delivered as planned and to highlight any potential slippage or delay. The progress on savings will form part of the council's regular budget monitoring report. The Public Health grant projected out-turn for 2015/16 will also need to be reviewed to identify any other potential savings that may be available.

5. LEGAL COMMENTS

- 5.1 Under section 2B of the National Health Service Act 2006, each local authority has a duty to take steps, as it considers appropriate, for improving the health of the people in its area. A local authority may also be required by regulations under section 6C of the NHS Act to take steps to protect the public in England from disease or other dangers to health. Local Authorities must have regard to published guidance including the revised Best Value statutory guidance issued by the Department for Community & Local Government (2011), which is equally applicable to local authorities' public health functions.

- 5.2 The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness’. The duty to secure best value under the Local Government Act 1999 will also apply to these public health responsibilities. The fulfilment of this duty is addressed in paragraph 7 below.
- 5.3 The Department of Health allocates ring fenced public health grants to local authorities in England so that the local authorities can discharge their public health functions. The funds are to be used for-
- improve significantly the health and wellbeing of local populations;
 - carry out health protection and health improvement functions delegated from the Secretary of State;
 - reduce health inequalities across the life course, including within hard to reach groups;
 - ensure the provision of population healthcare advice.
- 5.4 Local authorities will need to forecast and report against the sub-categories in the Revenue Account (RA) and Revenue Outturn (RO) returns to the Department for Communities and Local Government (DCLG) who will share data with Public Health England (PHE). Reporting is quarterly and year end.
- 5.5 The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. This is addressed in the One Tower Hamlets considerations below.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 A primary objective of the Public Health Grant is to address health inequalities. The majority of programmes funded through the grant are concerned with addressing those supporting the health and wellbeing of those with greatest risk of poor health outcome and the prioritisation criteria have incorporated equity considerations.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Best Value is a core objective of the plans outlined as they are seeking to secure the best outcomes for the population in the context of reduced resource.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are limited implications for a greener environment although sustainability and health do have strong association.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The core purpose of the paper is to mitigate the risk of overspend whilst seeking to do this in a considered way that mitigates against the risk of destabilising both established and new programmes that are delivering value for the people in Tower Hamlets.
- 9.2 The savings are premised on consultation in May/June to inform final proposals for sign off at the July cabinet - further delay would reduce savings that could be achieved in 16/17.
- 9.3 In general, it is expected that implementation of the proposed savings is achievable, although there will clearly be risks to service continuity and potential impact on viability of provider organisations through loss of income. These risks will be mitigated through discussion with providers (in some cases exploratory talks have started). In addition, provider organisations have been included in the consultation.
- 9.4 The saving of £200k proposed for acute GUM may be challenging as it requires robust negotiations through the London Sexual Health Collaborative on price with certain providers in London although initial indications suggest the saving is feasible.
- 9.5 Based on previous experience, it is anticipated that there will be some public and provider concern expressed through the consultation. This risk is being mitigated by consultation with providers and user groups although initial discussions with providers have in some cases commenced.
- 9.6 Further discussion on impacts and risks is discussed in the savings proformas in the appendix to this document.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 A significant proportion of the population regularly use illegal tobacco - reducing smoking prevalence will also have a positive impact on the illegal activity.
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Linked Reports, Appendices and Background Documents

The main report is attached with appendices

Linked Report

- NONE

Appendices

- A - Savings templates

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

- NONE.

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