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**IN-YEAR REDUCTIONS TO THE PUBLIC HEALTH GRANT: PROPOSALS**

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**Responsible Cabinet Member  
Councillor Andy Scott, Health and Partnerships Portfolio**

**Responsible Director  
Murray Rose, Director of Commissioning**

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**SUMMARY REPORT**

**Purpose of the Report**

1. The report outlines proposals for managing the in-year cut to the Public Health Grant of £520k, calculated on a 6.2% deduction from the Public Health Grant 2015/2016.

**Summary**

2. In June 2015, the Chancellor of the Exchequer announced a package of savings to be made in-year to reduce public debt. An element of the savings includes cuts to the Public Health Grant, to be deducted from Local Authorities in Quarter Four, January 2016.
3. An analysis of existing spend and contractual arrangements has been carried out and options identified to make the required savings, cutting existing contracts where contractual terms allow or reducing the value of new contacts as part of the procurement process form the bulk of the measures to respond to the cut in grant.
4. There is strong evidence to show that a range of preventive approaches can improve the health and wellbeing of the population and are cost-effective.
5. Those that address the social determinants of health, build resilience and promote healthy behaviours can create a return on investment through reducing the burden on health and social care services, improving productivity and addressing inequalities.
6. There is a risk therefore that making cuts and reductions in early intervention and preventative services will increase the prevalence of factors that lead to poor health resulting in increased demand on the NHS and social care service and other sectors in Darlington.

## Recommendations

7. It is recommended:

(a) that Members approve the following:

- (i) Re-procuring of the 0-19 years Public Health Services achieving a saving of £202,300 by an application of 7% efficiency to the baseline contract;
- (ii) Non-renewal of the HEAT Project contract achieving a saving of £20,000 and reconsideration of how excess winter deaths are tackled in Darlington;
- (iii) Non-renewal of the weight management contract achieving a saving of £35,000 by remodelling provision of adult weight management;
- (iv) De-commission the Dolphin Centre Young People's Sexual Health Pilot achieving a saving of £20,000, learning from this pilot will be incorporated into the future commissioning of Sexual Health and Community Contraceptive Services;
- (v) Re-procuring a new model of Stop Smoking service achieving a saving of £20,000 by reviewing and remodelling Community Stop Smoking Support services (GP and Pharmacies) to provide a more streamlined, targeted service;
- (vi) Re-procuring a new model of Stop Smoking service achieving a saving of £70,000 by reviewing current practice to provide a targeted provision of Nicotine Replacement therapy (NRT) to the most vulnerable groups;
- (vii) Withdraw the Public Health Grant contribution to the Supporting People commissioning workforce achieving a saving of £7,900, to additional support is no longer required;
- (viii) Voluntary redundancies to achieve a saving of £129,300 through reviewing and re-profiling Public Health wider team; and
- (ix) Reduction of contribution to the existing contract with Redcar and Cleveland Borough Council for the Tees Valley Shared Service achieving a saving of £15,300, which is an application of 6.2% efficiency.

(b) that the impact that this level of cut to the Public Health Grant will have on local public health capacity, commissioned front line services and the wider local public sector system be noted.

## Reasons

8. The recommendations are supported by the following reasons:

- (a) to implement the enforced cut to the Public Health Grant.
- (b) the proposals outlined will reduce expenditure in line with the cut in grant and reflect a differential approach to the Public Health Core Offer.

**Murray Rose**  
**Director of Commissioning**

## Background Papers

No background papers were used in the preparation of this report.

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S17 Crime and Disorder	There are no issues directly arising from this report.
Health and Well Being	The cut of the Public Health Grant will have an impact on health and wellbeing. There is strong evidence to show that a range of preventive approaches can improve the health and wellbeing of the population and are cost-effective.
Carbon Impact	There are no carbon impact implications in this report.
Diversity	The content of this report affects people equally across all groups.
Wards Affected	All wards will be affected.
Groups Affected	All groups will be affected and specifically age, pregnancy and maternity are the protected characteristics where there is likely to be an impact.
Budget and Policy Framework	There is no change to the budget and policy framework as a result of this report as the expenditure savings proposed offset the grant cut.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	The impact of the cut to the Public Health Grant may impact on health inequality.
Efficiency	The impact of the cut on efficiency is still to be determined.

## MAIN REPORT

### Information and Analysis

9. The Public Health Grant for Darlington was forecast to be £8.398 million. The baseline is £7.183 million and an allocation of £1.215m for six months of 0-5 year's resource. The split is just the baseline figure and is dispersed on two broad blocks of expenditure:
  - (a) £4.364 million for contracts and agreements with different types of provider for the provision of a range of Public Health services outlined in the Public Health Grant conditions. These services include NHS Health Checks, Sexual Health, Contraception, Substance Misuse, Stop Smoking, Mental Health promotion and Weight Management, with a range of providers. Contract terms vary from 12 months to three years and contract values range between £1.2 million - £5,000.
  - (b) £2.819 million for costs to the authority that is required to deliver Council statutory Public Health duties and responsibilities. These include prescribing, public health advice, NHS core offer, staffing, partnership agreements and organisational overheads.
10. Proposals that will reduce expenditure in line with the cut in the grant reflect a differential application across the above blocks of expenditure.
11. The bulk of the Public Health Grant is dispensed by the Council directly for mandated services and services which support the mandated responsibilities. The cut in grant will be reflected in reduced expenditure across contracts and agreements, using contractual terms and processes and in reduced expenditure, from the block which incorporates prescribing, health protection, staffing, overheads, NHS Core offer etc. The reductions for 2015/16 are being achieved through the profiling and reprogramming of the planned investments of the Public Health Grant into Council services.
12. Cutting existing contracts where contractual terms allow or reducing the value of new contracts as part of the procurement process, form the bulk of the measures to respond to the cut in grant.
13. The balance of the measures to manage the cut is through reductions to the public health establishment, both the local team and the Tees Valley Public Health Shared Services, hosted by Redcar and Cleveland Borough Council.
14. Work to prevent or reduce ill-health that can arise from a range of lifestyle factors such as smoking, alcohol consumption and obesity, is highlighted as the most cost-effective way to maintain the health of the population. Creating healthy populations benefits the individual, the community and brings wider social and economic benefits. There is strong evidence to show that a range of preventive approaches are cost-effective. Those that address the social determinants of health, build resilience and promote healthy behaviours can create a return on investment

through reducing the burden on health and social care services, improving productivity and addressing inequalities.

15. It is inevitable that there will be an impact from reductions and cuts to front line services however consideration has been given, as part of the analysis and review of existing spend, to mitigate, where possible, the negative impacts.
16. There is a high risk therefore that making cuts and reductions in early intervention and preventative services will increase the prevalence of factors that lead to poor health, resulting in increased demand on the NHS and social care service and other sectors in Darlington.

### **Financial Implications**

17. The proposals outlined in the table will reduce revenue expenditure built into the 2015/16 budget by approximately £520k. This will provide no savings to the budget as the reductions are offset by a corresponding reduction in grant for 2015/16.
18. The 2015/16 in-year reduction of grant is expected to be an on-going reduction to future years allocations, therefore the level of grant built into each year of the existing Medium Term Financial Plan (MTFP) will reduce by £520k per year.
19. Whilst this reduction in grant will be offset by continuing with the proposed reductions, the reduction in grant will affect the Council's ability to recommission Public Health Services in order to deliver savings building into the existing MTFP.

### **HR Implications**

20. A number of the proposals will affect Council employees however it is expected that the impact of the grant reduction on Council employees will be managed largely through voluntary means. Consultation with staff affected is ongoing. There is currently no identified disproportionate equalities impact on any protected characteristic group. In view of this, no further Equality Impact Assessment (EIA) work in respect of the staff proposals is considered necessary at this stage however, if any impact on equalities were to come to light, a further EIA would be undertaken.
21. Where proposals may affect external organisations, the Council needs to be mindful of the requirements for these organisations to discharge their own employee consultation obligations and as such early communication of the proposals is advised.

### **Proposals**

22. The Proposals outlined below to reduce expenditure in line with the cuts in Public Health Grant to the value of approximately £520k.

Proposal	Detail	Saving	Route	Impacts and Mitigation
<p><b>Proposal 1:</b></p> <p>Apply 7% efficiency to the 0-19 years Public Health Services contract on baseline</p>	<p>The Darlington baseline is highest cost per head in Tees Valley and North East, 7% reduction would move Darlington towards the England/North East/Tees Valley average.</p>	<p>£202,300</p>	<p>Re-procurement of 0-19 years contract</p>	<p><b>Impact</b> - no negative impacts have been identified in EIA process.</p> <p><b>Mitigation</b> - it is intended that the efficiencies be made through the savings generated from the implementation of a single 0-19 service.</p> <p>Full EIA in <b>Appendix 1.</b></p>
<p><b>Proposal 2:</b></p> <p>Decommission Age UK Darlington HEAT and reconsider how excess winter deaths are tackled in Darlington</p>	<p>This contract is part of a wider range of programmes and contracts that contribute towards improving energy efficiency in private sector housing. The contract supports a service provided by Age UK Darlington that acts as a source of information, advice, guidance and support for Darlington residents, particularly those with an underlying health condition, on fuel efficient products, switching suppliers or the range of grants available to enable homes to be better heated. The core outcomes and benefits for individuals and vulnerable groups may continue to be delivered without the contract.</p>	<p>£20,000</p>	<p>Non-renewal of contract</p>	<p><b>Impact</b> - the removal of the service may have a negative impact on older people.</p> <p><b>Mitigation</b> - to capitalise on national campaigns, for example Keep Warm, Keep Well this winter and explore opportunities to build on contact with vulnerable groups to disseminate information.</p> <p>Full EIA in <b>Appendix 2.</b></p>

<p><b>Proposal 3:</b></p> <p>Review Slimming World contract and remodel provision of adult weight management</p>	<p>This contract was reviewed as part of the development of the obesity pathway for Darlington. It did not deliver the return on investment against outcomes for Darlington residents. The service will plan to integrate weight management into the work of Healthy Darlington Hub.</p>	<p>£35,000</p>	<p>Non-renewal of contract</p>	<p><b>Impact</b> - the removal of the service may have a negative impact on potential and existing service users.</p> <p><b>Mitigation</b> - to provide advice, guidance and support for weight management through the Healthy Darlington team in the Healthy Hub within the Dolphin Centre. This service offers a behaviour change model of support around diet and physical activity. The Healthy Hub can offer a wide range of provision to individuals, families and groups. It has the flexibility to offer bespoke support to all hard to reach groups.</p> <p>A further service to provide mitigation is the new 0-19 contract which requires children to be identified as overweight and given information support and guidance.</p> <p>Full EIA in <b>Appendix 3.</b></p>
<p><b>Proposal 4:</b></p> <p>Review and mainstream lessons from Dolphin Centre Young People's Sexual Health</p>	<p>This was a pilot. Young people may access the outreach clinic at Darlington College. Learning from this pilot to be incorporated into any future commissioning or procurement of Sexual Health and Contraception services.</p>	<p>£20,000</p>	<p>Decommission the pilot</p>	<p><b>Impact</b> - the removal of the service may have a negative impact on young people aged 15-24 years and teenage mums.</p> <p><b>Mitigation</b> – to ensure access to those identified as at risk of poorer sexual health will be a priority for the work going forward.</p>

Pilot				<p>It is proposed that the new contraceptive service will reflect the learning from the Young People's Pilot with the commissioned model requiring outreach provision targeted specifically at young people and those identified as being at increased risk of early unintended pregnancy and STI's. This may mean however that an overall reduction in provision reduces access for those not identified as being at higher risk of poorer sexual health.</p> <p>Full EIA in <b>Appendix 4.</b></p>
<p><b>Proposal 5:</b></p> <p>Review and remodel Community Stop Smoking Support services (GP and Pharmacies)</p>	<p>Although smoking is still a major contributor to early deaths in Darlington, there has been a national and local trend of reducing numbers accessing stop smoking services. The current service model will be reviewed to provide a more streamlined, targeted service integrated into the Darlington behaviour change model through Healthy Darlington and in partnership with local GPs and Pharmacies.</p>	£20,000	Re-procure a new model of service	<p><b>Impact</b> - the funding reduction and subsequent review of the service model is likely to be a mixed impact. The reduced capacity and resource to support those who currently access service and specifically older people who currently have better quit rates than the rest of the population.</p> <p><b>Mitigation</b> - this may result in the proposed more targeted model is likely to address existing inequalities in relation to smoking during pregnancy.</p> <p>Full EIA in <b>Appendix 5.</b></p>



<p><b>Proposal 6:</b></p> <p>Review current practice and target provision of Nicotine Replacement Therapy (NRT) to the most vulnerable groups.</p>	<p>NRT is available free on prescription to those who are eligible. It is available over the counter in Pharmacies and general outlets, such as supermarkets, to purchase. The recent publication of evidence regarding e-cigarettes indicates that more smokers are accessing e-cigarettes to support their own quit attempts. Vouchers would still be available for midwifery services to distribute to pregnant women who smoke. This is an evidence-based, effective and efficient intervention that is targeted at unborn and newly born children, which will protect those most vulnerable to the effects of smoking.</p>	<p>£70,000</p>	<p>Re-procure a new model of service</p>	<p><b>Impact</b> - The funding reduction and subsequent review of the service model is likely to be a mixed impact.</p> <p>Current provision is focused around Pharmacy-based dispensing points for NRT products, which are issued to those patients presenting with an NRT voucher. The NRT voucher scheme allows the patient the choice at dispensing of the correct nicotine replacement product for their health needs.</p> <p><b>Mitigation</b> - the remodel and review of this service will sit in conjunction with the review to target provision of Nicotine Replacement Therapy (NRT) to the most vulnerable groups of Darlington population thus ensuring those in greatest need of the service continue to receive it, including pregnant women and those from more deprived communities.</p> <p>Full EIA in <b>Appendix 6.</b></p>
<p><b>Proposal 7:</b></p> <p>Cease the Public Health Grant</p>	<p>Public Health has contributed seven hours of workforce in the Supporting People Team. As part of the transition process, Council agreed a two-year waiver to normal procurement rules to</p>	<p>£7,900</p>	<p>Withdraw contribution</p>	<p><b>Impact</b> - with the completion of the process of procurement started in 2013, the removal of this contribution will have a marginal impact.</p>

<p>contribution to the Supporting People commissioning workforce</p>	<p>enable the Public Health team to undertake a process to review, re-commission and re-procure all contracts related to the delivery of Public Health services. The extra contribution to this team was agreed in 2013 to support the Public Health team undertake this task. With the completion of the tender for the 0-19 service, this process will have been completed.</p>			<p><b>Mitigation</b> - the numbers of contracts have been significantly reduced since 2013 and Tees Valley Public Health Shared Service is providing more contracting support for Darlington Public Health contracts.</p>
<p><b>Proposal 8:</b> Review and re-profile Public Health wider team discharge the Authority's Public health duties and responsibilities</p>	<p>Since transfer to Darlington Borough Council in 2013, the Council's Public Health duties and responsibilities have become embedded and better understood. This has informed the specialist Public Health resource to enable it to focus on discharging duties and responsibilities, including the provision of Public Health advice and support to the local NHS through the Public Health Core Offer. The cut in the grant impacts on the available capacity of the team.</p>	<p>£129,300</p>	<p>Voluntary redundancies</p>	<p><b>Impact</b> - these staff reductions will have a mixed impact. The reduction in specialist analytical capacity will reduce the capacity of the Public Health Team to meet some of its statutory responsibilities, particularly in providing Public Health advice and specialist analysis around substance misuse and alcohol. However, this analytical capacity was concentrated in the areas of substance misuse and alcohol and was not distributed to meet the needs of the wider Public Health Team.</p> <p><b>Mitigation</b> - a review of analytical capacity and requirements will be undertaken to identify the requirement to meet the Public Health statutory duties and</p>

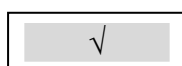
				responsibilities. Tees Valley Public Health Shared Service will provide more direct analytical support for Darlington.
<p><b>Proposal 9:</b></p> <p>Apply a 6.2% efficiency to the Tees Valley Public Health Shared Service (TVPHSS)</p>	<p>This contract has been in place since 2013 and there has recently been a review undertaken and the requirement for the level of Specialist Public Health support and advice provided by Tees Valley Public Health Shared Service is better understood.</p>	£15,300	<p>Cut applied to existing contract with Redcar and Cleveland Borough Council</p>	<p><b>Impact</b> - the impact of this reduction will be mixed. This will potentially restrict the Authority's options in drawing on the Tees Valley Public Health Shared Service for specialist support in future, as our share of contribution will be reduced in comparison with the other four Tees authorities.</p> <p><b>Mitigation</b> - the current contract with Redcar and Cleveland Borough Council for the Tees Valley Public Health Shared Service will be utilised to provide specialist Public Health input more efficiently. This will be achieved through robust planning, programming and agreement of outputs and measures within the services agreement.</p>
<b>Total:</b>		<b>£519,800</b>		

## Equality Impact Assessments

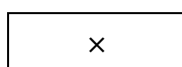
23. As part of this work, Equality Impact Assessments have been carried out for proposals 1-6 and they are available as appendices to this report.
24. Consideration has also been given to the cumulative impact on all of the nine protected characteristics if all proposals are approved.
25. Figure 1 provides an overview of the proposals and identified impacts on the nine protected characteristics. This shows that age, pregnancy and maternity are the characteristics where there is likely to be an impact. For age, two of the proposals impact on young people whilst three impact on older people. Some of the impacts identified are positive, others are negative and some have a mixed impact. Further details of the impacts are presented in the associated EIAs.

**Figure 1: Overview of proposals and impacts against protected characteristics**

	0 – 19 years	Age UK	Weight management	Sexual Health	Stop smoking	NRT	Supporting People	Public Health Team	TVPHSS
Age	√	√	x	√	√	√	x	x	x
Race	x	x	x	x	x	x	x		x
Sex	x	x	x	x	x	x	x	x	x
Gender Reassignment	x	x	x	x	x	x	x	x	x
Disability	x	x	x	x	x	x	x	x	x
Religion or belief	x	x	x	x	x	x	x	x	x
Sexual orientation	x	x	x	x	x	x	x	x	x
Pregnancy or maternity	x	x	x	√	√	√	x	x	x
Marriage/ civil partnership	x	x	x	x	x	x	x	x	x



= impact identified



= no impact identified