
Name of Cabinet Member: Cllr J Mutton – Chair of Scrutiny Board 1

From: Director of Public Health & Director of Finance

Ward(s) affected: ALL

Title: Briefing Paper on the Public Health Ringfenced Grant

Transfer from the Primary Care Trust

In 2010 a series of White Papers were published regarding the future of Public Health services and proposing the transfer from the NHS to Local Authorities from April 2013. Over the two years prior to the transition a robust national assurance process was implemented, and in line with this, a number of financial returns based on expenditure within the NHS were submitted to the Department of Health. These returns were used to determine the ringfenced budget allocation from April 2013.

PCT budgets were incredibly complex and it was not an easy task to split out all public health expenditure, as some services and elements were embedded within other contract costs and it was therefore difficult to apportion costs. Only PCT expenditure could be accounted for in the returns, therefore, any public health services which were funded via Coventry Health Improvement Programme (CHIP) were excluded e.g Breastfeeding services.

Significant work was undertaken between Public Health and Council finance officers prior to the transfer to ensure that all costs were captured and that there was a robust understanding of public health expenditure and budgets. Prior to transfer, the Council also submitted a return providing assurance of the work that had been undertaken by the NHS and to confirm that they were supportive of the financial information that had been submitted to the Department of Health.

Quantum of transfer and how it matched liabilities

The City Council's first Public Health allocation (ringfenced grant), was announced on 10 January 2013. The grant is based on a formula which reflects deprivation, health need and key risk factors including obesity, alcohol usage, physical activity, smoking and sexually transmitted infections.

The allocation for 2013-14 was £17,832,000, which was a 10% increase from the baseline figures due to Coventry being 22% below the target figures based on the formula. The allocation for 2014-15 also rose by 10% and was £19,615,000. The increases in the allocation reflect the historical low levels of expenditure on public health locally and also the poor health status and health inequalities in the city which is reflected in poor performance, compared to other areas, in the Public Health Outcomes Framework.

The allocation for 2015/16 decreased by £200,000 and is £19,414,800. The reduction is due to a national adjustment (agreed locally), following agreement to transfer responsibility for the commissioning of TB services from the Local Authority to the Clinical Commissioning Group.

Overall, since 2013/14 there has been a 20% increase in public health funding for Coventry (compared to the initial baseline), and there are no concerns regarding the grant being able to meet the liabilities that were transferred over from the NHS. The additional funding has allowed the City Council to continue to deliver unfunded public health activity such as the CHIP programme.

Following transition, a number of issues were identified locally in relation to services having been transferred incorrectly to organisations and funding not being aligned correctly. Where possible, pragmatic local agreements have been made between organisations to ensure that responsibilities are correctly aligned going forwards. The transfer of responsibility of TB services is an example.

In October 2015, the responsibility for 0-5 public health commissioning will transfer to the Local Authority from NHS England. It has recently been announced that a further £2.8m (part year) will transfer during 2015/16 to support this work. Significant work has been undertaken during 2014/15 to ensure that the funding for this area of work is sufficient to cover the contractual responsibilities that will novate to the Council in October. Reports regarding this issue and the potential risks involved prior to the allocation publication were submitted to the Cabinet Member for Health and Adult Social Care during the year.

National Public Health Funding

As part of the Health and Social Care Act 2012, responsibility for commissioning Public Health services was split between NHSE (previously known as the NHS National Commissioning Board) and Local Authorities. Public Health England (PHE) also provide public health services. It was acknowledged at the time that the Department of Health spent approximately £5bn on public health services. The majority of the funding was already being spent by the existing National Bodies such as the Health Protection Agency. £2bn of this transferred to Local Authorities from PCTs with the remainder funding services in PHE and NHSE. All Local Authorities received an uplift in funding between 2.8% and 10% for both 2013/14 and 2014/15.

High level funding breakdown – Coventry Public Health Grant

The table below outlines the budget allocations for 2015/16 for the ringfenced grant (£19.4m) including the additional funding for 0-5 services (£2.8m part year 2015/16) due in October 2015, giving a total budget of £22.2m. The budgets that fund mandated public health services in wholly or in part are highlighted for information.

2015/16	Budget £	
Alcohol & Drugs	4,701,000	
Community Safety/Domestic Violence	393,000	
Health Checks	419,000	Statutory service
Smoking/Tobacco Control	1,279,000	
Obesity/Physical Activity/ Be Active Be Healthy/Health Trainers	1,099,000	
Sports Development Team	255,000	
Cycle Coventry	54,000	
Workplace Health	91,000	
Mental Wellbeing	113,000	
Infant Mortality	74,000	
Breastfeeding	146,000	
Children 5-19	1,884,000	Inc National Child Measurement Programme statutory service
Children 0-5	2,807,000	Transfer from October 2015 – statutory service
Sexual Health	4,243,000	Statutory service
Health Protection	241,000	Statutory service
Dental Public Health	112,000	
Public Health Staffing	1,408,000	
Public Health Non Staff Costs	891,000	
Public Health Overheads	246,000	
Insight Team	424,000	Inc Public Health Core Offer statutory service
Insight Engagement	240,000	Inc Public Health Core Offer statutory service
Insight Intelligence	102,000	Inc Public Health Core Offer statutory service
PH Savings - 2015/16 Target	1,000,000	
Total	22,221,800	

How it compares nationally and how it has increased since 2013

For 2015/16 Coventry received a public health grant of £19.4m and will receive an additional allocation of £2.8m (part year funding), from October 2015 relating to the transition of 0-5 public health commissioning (Health Visiting and Family Nurse Partnership services) from NHS England to Local Authorities.

In 2013/14 Coventry was 22% below target allocation and so was therefore given the maximum uplift in public health expenditure for 2013/14 and 2014/15 (10% each year).

Key performance indicators and how we compare nationally

Public Health England have published a Health Profile for Coventry in June 2015 which outlines the health of the Coventry population in relation to England. A copy of the profile can be found using the following link.

<http://www.apho.org.uk/resource/item.aspx?RID=171737>

In the majority of public health indicators, Coventry performs below the England average. However, when we compare the same outcomes across areas of equal deprivation to Coventry. Coventry performs well in the majority of measures.

Proposed Reduction in Public Health Budget 2015/16

In early June 2015, the Chancellor of the Exchequer, George Osborne announced a £200m “non- NHS” budget saving, which is expected to result in an approximately 7 – 7.4% cut in the national public health ringfenced grant in year. For Coventry, this would equate to approximately £1.5m. A consultation on how this cut is to be implemented has just been launched and officers are currently working on a response to the consultation and an assessment of how this reduction can be managed.

Although it is badged as a “non-NHS” saving, a significant proportion of Public Health commissioned services are undertaken by NHS providers e.g. Coventry and Warwickshire Partnership NHS Trust and therefore the proposed saving will impact significantly on the NHS, both locally and nationally.

Barry Hastie
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