

# North Somerset Council

## REPORT TO THE HEALTH OVERVIEW AND SCRUTINY PANEL

**DATE OF MEETING: 24<sup>TH</sup> MARCH 2016**

**SUBJECT OF REPORT: PUBLIC HEALTH CONTRACTS REVIEW – PROGRESS UPDATE**

**TOWN OR PARISH: N/A**

**OFFICER/MEMBER PRESENTING: COUNCILLOR ROZ WILLIS, CHAIRMAN OF THE PUBLIC HEALTH BUDGET AND CONTRACTS WORKING GROUP**

**KEY DECISION: NO**

### RECOMMENDATIONS

That the Panel consider and comment on the Working Group's recommendations set out in this report and the response to these from the Assistant Executive Member set out in her report to the Panel at appendix 1 of this report.

### SUMMARY OF REPORT

The Public Health Working Group reviewed Public Health's schedule of contracts within the wider context of its challenging and rapidly developing budgetary position. Based on this ongoing work, the following interim recommendations were put to the Assistant Executive Member (Public Health) and the Director of Public Health in November last year:-

- (a) The role of Director of Public Health be made "permanent" as quickly as is practicable.
- (b) Consideration be given to exploring opportunities to offer North Somerset Public Health Services to neighbouring authority areas.
- (c) The Interim Director's proposals and current activities be supported - particularly in respect of the following:
  - the suggested one-off use of contingency funds in the current year;
  - postponement of new public health projects;
  - prioritising the re-evaluation of larger contracts; and
  - exploring options for pausing or phasing proposed budget realignments.
- (d) The Tier 1 weight management programme be reviewed with a view to integrating it with other services provided by the Council and other partners.
- (e) Consideration be given to addressing the practical difficulties associated with negotiating savings on those contracts managed by other teams.
- (f) Consideration be given to supplementing Addaction services by engaging the voluntary sector.

Following further discussion with the Public Health team over the winter, the working group made the following additional recommendations:-

- (g) the proposed 1-year extension of the existing sexual health contracts with WAHT and UHB to March 2017 be supported.
- (h) Contract realignment, and the activities it funds, be clarified and systematically reviewed with respect to Public Health relevance and outcomes.

- (i) Consideration be given to extending the geographical coverage of the Health Trainer Service perhaps in partnership with another provider (e.g. NSCP).

## **1. POLICY**

In accordance with the Health and Social Care Act 2012, from 1<sup>st</sup> April 2013, local authorities were given the duty to improve the health and wellbeing of the people in their area. The Council's Public Health service works across a number of key areas of health promotion and improvement for the population of North Somerset. Many of these services are commissioned from third-parties from across the government, voluntary and private sectors.

The North Somerset Joint Strategic Needs Assessment and People and Communities Strategy provide a framework for existing contracts and the procurement of future services.

Additionally, as part of the development of the Council's health improvement and public health function, it was agreed that a Public Health Strategy be developed, the purpose of which is to:

- Strengthen and prioritise the public health function across the local authority
- Support and integrate public health within the Council's organisational, financial and business planning arrangements (with a focus on mitigating revenue budget pressures and ensuring value for money); and
- Ensure that the Council complies with its legal obligation.

## **2. DETAILS**

### **Background**

2.1 The HOSP Panel was requested by the Council at its meeting on 19<sup>th</sup> February 2013 to undertake a review of public health contracts on behalf of the executive and to make recommendations arising from its findings. The Panel established the Public Health Contracts working group to undertake this review.

### **Work undertaken by the working group**

- 2.2 Since 2015, the Contracts Working Group has met three times - on 7<sup>th</sup> September, 7<sup>th</sup> October 2015 and the 29<sup>th</sup> January 2016. In the course of these meetings the Working Group considered the following:
- Public Health's current and expected future budgetary position – a £572k reduction in current year's grant together with realignment commitments amounting to a budget shortfall of around £1m. The required savings for 2016/17 are £1097K (comprising £822K due to Public Health grant reductions together with £275K for unidentified realignment – use of the Public health grant to fund other related Council Services) relative to the pre-cut 2015/16 budget.
  - Public Health's on-going review of the current contracts being undertaken in order to find significant in-year savings - with a view to balancing the budget following the above funding reductions announced by the Government.
  - The impacts of budget realignments (where public Health grant budget lines have been earmarked for public health activity formally funded from other Council directorates) and mitigations under consideration.
- 2.3 The working group reported to the HOSP Panel in November 2015 with a number of interim recommendations. This report adds to those recommendations following additional monitoring of the ongoing contracts review and a clearer understanding of the Public Health's budgetary position (following the outcome of the Government's Autumn Statement).

## **Budgetary Position**

- 2.4 The Working Group is concerned by the scale and impact of the Government's announced in-year funding reduction (and with the expectation that further reductions would be required in subsequent years). Pressure on the Public health budget has increased significantly with the Government's announced in-year cuts and further year-on-year reductions through to 2019/20 announced in the Autumn Statement/CSR. The overall reduction (2015/16 to 20/21) amounts to 16% in cash terms or about 27% in real terms (dependent on inflation). In the light of these significant pressures, Members are impressed by, and broadly support, the challenging work being undertaken by the Interim Director to deliver the significant savings required to balance the public health budget following the announced cuts.
- 2.5 The pivotal importance of the Director's role in delivering the Council's duty to improve the health of people in the area is acknowledged and the Working Group recommends that the post should be made permanent at the Council's earliest opportunity. In the context of medium to longer term budget pressures and awareness of options being considered by neighbouring authorities, it also recommends that consideration should be given to exploring opportunities to offer the Council's public health services to neighbouring authority areas.
- 2.6 In respect to the range of work currently being undertaken by the Public Health team to address the budget shortfall, the Working Group are supportive of the following:-
- The postponement of planned new public health projects.
  - The principle of applying the savings requirement evenly across the whole basket of contracts but focussing in the short term on the larger contracts.
  - The case for using £200-250k of the Public health reserve (currently standing at £522k) to bridge any shortfall in the current year. This would give the breathing space necessary to undertake a more comprehensive contracts review in preparation for the following year. Members note that this use of reserves would need to be repaid in the following year.
- 2.7 The Working Group is however concerned by the pace at which agreed public health budget realignments are being applied and about the level of budgetary transparency and justification for realignment funding in relation to the terms of the Public Health Grant. Bearing in mind the scale of the funding cuts the working group welcomes any proposed interventions that could reduce this additional pressure by, for example, extending future realignment phasing and feels that there is a strong case for a systematic review of realignment and the activities it funds with respect to Public Health relevance and outcomes. Realignment funding should be returned to Public health where it is not justified, has not been spent on an intended activity or where savings are being made in the activity budget.

## **Review of current contracts**

- 2.7 Members are broadly very supportive of the Director's strategy for negotiating in-year savings - particularly in respect to the focus on the following larger contracts:
- Sexual Health services (WAHT and UHB)
  - Addaction
  - NSCP (school nurses and health visitors)
- 2.8 Members are concerned, however, that there can be practical contract negotiation difficulties where the contracts are managed by other Council teams - the Addaction contract is, for instance, managed by the Corporate Services Directorate.

- 2.9 Members considered some of the contracts in more detail with a view to suggesting further opportunities for savings. These include the Addaction contract – Members suggested the possible use of volunteers to contribute further to delivering services, noting that the Community Alcohol and Drug Misuse Forum already do drug awareness work and mentor training – and the Weightwatchers contract (in the delivery of the Council’s Tier One weight management programme).
- 2.10 In the case of the Weightwatchers contract, Members questioned the outsourcing of this work to a private for-profit company when there were various Council teams doing similar work including health trainers and Go for Life etc. They also pointed out that men tended not to use the service and that the programme was not always suitable for diabetics. Assurance was provided by Officers on the effectiveness of the scheme – and whilst this was acknowledged, the Chairman is exploring a number of innovative initiatives which may offer opportunities going forward to more effectively scale and integrate this service with other schemes and services provided by the Council and other partners.
- 2.11 The Working Group noted and supported proposals that the existing sexual health contracts with WAHT and UHB be extended by one year to March 2017 as this will allow time for a new sexual health service/model to be jointly procured across the Bristol, North Somerset, Somerset and South Gloucestershire areas (BNSSG).
- 2.12 Members also suggested that consideration be given to extending the geographical coverage of the Health Trainer Service, perhaps in partnership with another provider such as the North Somerset Community (Health) Partnership but noted that the viability of this would be dependent on capacity and funding (both of which are constrained under the Public Health savings review).

### **3. CONSULTATION**

The Working Group has worked in close consultation with the Public Health team throughout the review.

### **4. FINANCIAL IMPLICATIONS**

As set out above.

### **5. RISK MANAGEMENT**

See above.

### **6. EQUALITY IMPLICATIONS**

Equality implications are always a priority on service redirections/changes regarding impacts on service users.

### **7. CORPORATE IMPLICATIONS**

See above.

**Working Group Members: Roz Willis (Chairman), Mike Bell, Sarah Codling, Ruth Jacobs, Reyna Knight**

**Report Author: Leo Taylor, Scrutiny Officer**