Association of Directors of Public Health – Submission to Spending Review 2015

The Association of Directors of Public Health (ADPH) is the representative body for Directors of Public Health (DsPH) in the UK. It seeks to improve and protect the health of the population through support for Directors of Public Health as local public health leaders, policy advice and information sharing programmes. www.adph.org.uk

Directors of Public Health (DsPH) are the frontline leaders of public health working across health improvement, health protection, and health care service planning and commissioning.

ADPH has a strong track record of collaboration with other stakeholders in public health - including national and local government, the NHS, and key Public Health organisations and sectors – and has worked closely with the Department of Health and Public Health England to support the development of the new public health system in England.

ADPH has welcomed both the crucial focus on prevention contained within the NHS 5 Year Forward View, and the Government's support for prevention as a critical component of securing the future of the NHS.

ADPH submission – summary and key recommendations

In this submission, the Association of Directors of Public Health (ADPH) sets out:

1. The imperative for investing in the country's economic wellbeing by maximising opportunities to maintain and improve the public's health, in order to secure the future viability of the NHS and social care;

2. Why and how investing in public health and prevention offers the Treasury significant return on investment gains;

3. How the Government and the Treasury can maximise the significant opportunities for health and social care gains and transformational reform offered by the public health role of local authorities in England; and how these measures can mitigate the detrimental impact of the 2015/16 in year cuts to the ring-fenced Public Health Grant to English Local Authorities.

We believe that:

- **The Government should commit to investing in public health, prevention and early interventions at national and local levels in order to secure the future viability of the NHS and social care.**
- **Pressures on the health and social care systems – and indeed wider systems such as benefits, the criminal justice system and early help - support the imperative to invest in the country's economic wellbeing by maximising opportunities at local and national levels to maintain and improve the public's health.**
- **Investing in public health, prevention and early interventions offer significant return on investment gains in both the shorter and longer terms - and should therefore be a core element of the Spending Review.**
- **The impact of any reduction in public health and preventative spending needs to be seen in terms of population health as well as services, and will be felt for many years with opportunities for prevention foregone.**

1. Investing in Public Health & Prevention

1.1 The Government's *Healthy Lives, Healthy People: Our strategy for public health in England 2010* stated: "*Prevention has not enjoyed parity with NHS treatment, despite repeated attempts by central government to prioritise it. Public health funds have too often been raided at times of pressure in acute NHS services and short-term crises*."

1.2 The NHS Five Year Forward View focuses on the crucial role of prevention and public health in securing the future viability of the NHS – an imperative supported by national leaders including the Prime Minister, Secretary of State for Health, and the Heads of NHS England and PHE.

1.3 In 2013/14, the Department of Health spent more than £106 billion on health, social care and public health in England – average NHS spending was £1,742 per head, whilst grants to local authorities for public health averaged £49 per head.

1.4 According to the Office for Budget Responsibility, healthcare funding remains the biggest threat to UK public finances. Maintaining current services will drive the debt-to-GDP ratio to 187% of GDP - an extra £1.8 trillion - by 2065. In order to achieve the required productivity savings of 2% a year for the NHS in England, therefore, avoidable demand on health and care services must be reduced. This requires investment in, and protection of, public health budgets as a priority.

1.5 The Local Government Association estimate that the funding gap facing adult social care is growing on average by almost £700 million a year; and the annual ADASS budget survey (June 2015), highlighted that 66% of adult social services directors felt that increased prevention/early intervention would be a way to save money in 2015/16.

1.6 In July, ADPH President Dr Andrew Furber wrote to the Prime Minister and Chancellor of the Exchequer to express deep concern and disappointment following the Chancellor's announcement of the significant £200m cut in the ring-fenced Public Health Grant to English Local Authorities in 2015/16; and to highlight the serious impact on health, social care and the NHS of such reductions in public health and preventative funding, both now and in the future. In light of this, he urged the Government to review and reverse its decision to impose in-year cuts in the Public Health Grant.

1.7 The pressures on the health and social care systems – and indeed wider systems such as benefits, the criminal justice system and early help - support the imperative to invest in public health, prevention and early interventions at local and national level.

1.8 We would encourage the Government to introduce public health revenue-raising measures – for example we believe that up to £3 billion a year could be generated over the next five years through health promoting policies such as a tobacco levy, a duty escalator for alcohol and a new duty on sugary soft-drinks.

1.9 We would also highlight that national action to enable Local Authorities to promote behaviour change at population level – for example through local regulatory powers to include a public health objective in licensing applications – are cost-effective ways of achieving prevention through local public health action.

2. Return on Investment

2.1 The economic arguments for investing in public health, early interventions and prevention are well known and evidenced – offering significant return on investment gains in both the shorter and longer terms - and should therefore be a core element of the Spending Review.

2.2 Below are some examples that illustrate why and how the Government should invest nationally and locally in public health, prevention and early interventions in order to secure the future viability of the NHS and social care.

2.3 The Public Health Grant to Local Authorities: this represents a crucial opportunity for the Treasury to direct resources to prevention. As detailed more fully in section 3, the transfer of public health responsibilities to local authorities in England is strengthening cross-sectoral approaches to prevention, early interventions and economic & community wellbeing, with key benefits to current and future generations' health - and consequently to securing the future viability of the NHS and social care. There are also potential and significant wider beneficial impacts such as local economic infrastructure & development, education training & employment, environmental sustainability & resilience, community development and crime prevention – so benefiting wider national services and Government Departments including Departments for Work & Pensions, Transport, Education, Home Office and the criminal justice system.

2.4 Kings Fund, Making the Case for Public Health Interventions: a resource illustrating a range of public health return on investment opportunities and gains.

2.5 Creating a Better Care System (Ernst & Young): this report suggests a transformation fund should focus on preventative measures and aim to prevent complex and long-term conditions, which can cost the system almost £88 billion each year - a cost that is growing with the ageing population. It identifies the significant contribution that preventative measures can make. For example, spending just £1 on local friendship networks can save almost four times that amount on mental health services whilst £1 spent on school-based smoking and bullying prevention can save as much as £15. It would also give local areas greater control and freedom over pooled budgets and additional devolved powers to set public health policy that is more ambitious than national law, allowing opportunities to address the biggest public health issues.

2.6 Cancer Strategy: A key element in the new Cancer Strategy is a radical upgrade in prevention and public health – including the significant preventative work achieved through local authorities. The National Audit Office has estimated cancer services cost the NHS approximately £6.7bn per annum in 2012/13. In the absence of the Strategy and it's important focus on public health and prevention, cancer costs in the NHS are likely to grow rapidly, given the 2% per annum growth in the number of people diagnosed, increasing survivorship and general growth in health care costs. It is estimated that implementing the Strategy will cost £400 million per year over five years. In the medium term, implementation of the Strategy should contribute savings substantially in excess of £400m per annum to the projected £22bn funding gap.

2.7 HIV prevention programme: HIV prevention should be a national priority with a commitment from central Government to provide adequate funding. Given that many of the drugs currently used to treat people living with HIV will come off patent in the next two years, a portion of the money saved from a move to generic HIV drugs should be allocated to and invested in prevention.

2.8 As suggested in section 1, the Government could introduce public health revenue-raising measures – for example we believe that up to £3 billion a year could be generated over the next five years through health promoting policies such as a tobacco levy, a duty escalator for alcohol and a new duty on sugary soft-drinks.

3. Investing in transformational public health reform

Overview

3.1 The transfer of public health responsibilities to local authorities in England in 2013 was welcomed and supported by ADPH as an opportunity to transform local leadership for health & wellbeing and to extend and strengthen cross-sectoral approaches to community wellbeing, prevention and early interventions. These are of key benefit to current and future generations' health - and consequently to securing the future viability of the NHS and social care.

3.2 The transfer of responsibilities also offers the potential for significant wider beneficial impacts – for example local economic infrastructure & development, education training & employment, environmental sustainability & resilience, community development and crime prevention. This offers benefits for wider national services and Government Departments including Departments for Work & Pensions, Transport, Education, Home Office and the criminal justice system.

3.3 However we are deeply concerned that such transformational opportunities will be undermined by short or longer term reductions in local public health and preventative funding, which will be profoundly damaging to the public's health and the financial stability of the NHS and social care.

3.4 Reductions to local Public Health Grants - on top of the already substantial cuts in local authority budgets - will have a detrimental impact on local authorities' ability to improve the health & wellbeing of people within their communities, and to maintaining current local public health services, including those provided by local authorities, the NHS and voluntary sectors.

3.5 We would also stress that transformational change requires time and support to embed. During the first two years of the transfer of public health responsibilities to local authorities (2013/14 and 14/15), Directors of Public Health and their colleagues in local authorities focused on developing evidence based approaches to ensure the most effective use of resources. This included reviewing and re-designing services, commissioning specifications and contracts. As a result, public health spend in many local authorities during 2013/14 was temporarily impacted.

3.6 Therefore, whilst a proportion of the Grant was not spent in the first year (2013/14), this was due in part to appropriately giving time to establishing new and more cost effective contracts, and was compounded by the timeframe between allocation of the Grant and the start of the financial year, and the need for financial prudence.

3.7 This temporary impact is evidenced by the significantly higher Grant spend in 2014/15, and demonstrates good financial management by local authorities in investing time and energy to making the best use of limited resources in the transformation of services.

It is a matter of great regret that the current in-year savings will detrimentally impact on the past two years of transformational work undertaken within local authorities, and is

particularly concerning in a year when local authorities are taking on new responsibilities for public health services for young children.

Local initiatives

3.8 The Public Health Grant to Local Authorities represents a crucial opportunity for the Treasury to direct resources to prevention. We illustrate below some examples of local authority cross-sectoral approaches to prevention and early interventions, with key benefits to current and future generations' health:

- East Riding Leisure has been championing a 'partnership' with the East Riding Public Health Team and the University of Hull. This 'partnership' has led three distinct work streams resulting in wellbeing and behavioural change outcomes that have been used in national case studies with various think tanks and organisations such as Local Government Information Unit, Association for Public Service Excellence and the Local Government Association.

  All the research and learning powered by the 'partnership' has allowed the leisure centres within East Riding to adapt to a turbulent public sector environment through attracting new patients/customers and increasing customer loyalty. This has resulted in a substantial reduction in the operational deficit of the East Riding Leisure Service, moving from an operational service cost of £1.2m in 2008/09 down to £0.2m in 2014/15. As well as having a major effect on reducing the cost of the service, it has changed the lives of many people in the community whilst reducing long term expenditure for the National Health Service.
- The Pause Project was initially funded by Public Health in Hackney, and is now being part funded by the DoE in 6 other areas of the country. Pause has been designed to address the needs of women who have, or are at risk of, multiple children being removed from their care. There is a wide range of Public Health outcomes related to substance misuse, mental health and violence.

  The financial evaluation, projected over 5 years, largely uses the costs associated with children in care to measure costs avoided (with some health care costs included). Overview:

  Cost of project = £1,462,664
  Costs avoided = £2,614,248
  Net savings = £1,151,584

  The work has now been extended to include a wider cohort. Further details at: http://www.pause.org.uk/aboutpause/

Impact of 2015/16 Public Health Grant In-Year Savings

3.9 Whilst the Government has given a commitment that the 2015/16 £200m savings are from "non-NHS" Department of Health spend, as is illustrated below, the cuts in the Public Health Grant will significantly impact on services commissioned from NHS providers – therefore directly impacting on NHS funding and services.

3.10 Approximately half of the Public Health Grant to local authorities goes to NHS providers for services which are - such as the PH advisory service to CCGs - or would be seen by the public as, core health services - such as sexual health, public health nursing, drug & alcohol

treatment and NHS health checks, and also from October this year, Health Visiting and 0-5 services.

3.11 Many Councils are fully committed to the level of the current Public Health Grant with existing contracts and will find in-year savings a major challenge, while reserves will be factored in to future spending plans. Many Councils with reserves are also Councils that are below target allocation and have those reserves by virtue of financial prudence and carefully planned spending.

3.12 Following the unexpected announcement of the 2015/16 cuts, ADPH immediately initiated a 'snap-survey' of all Directors of Public Health in England to assess the likely local impact of the cuts in 2015/16. A summary of key themes from survey responses is illustrated below, and whilst final decisions will be taken by each local authority, these impacts are drawn from the views of Directors of Public Health who are responsible for managing the Public Health Grant locally:

Local impacts:

- Impact on front-line services – both this year and in the future
- Impact on services commissioned from NHS providers – so directly impacting on NHS funding and services
- Impact on 3rd sector providers of NHS services and small local voluntary/community sector organisations
- Longer-term impact on Public Health outcomes and increased demand for NHS services
- Most of the Public Health budget is tied into contracted services (therefore legal impacts and potential financial fall out from having to break contracted services) – so there is limited 'room for manoeuvre'
- Any reserves are largely allocated to 'Council health spend' - so impacting on wider health interventions
- Staffing may be affected - largely through a loss of vacant posts

Most common impacts identified in 2015/16 were on:

- School nursing and other children's services
- NHS Health Checks
- Obesity prevention & support
- HIV prevention
- Staffing

3.13 In our survey, we also asked Directors of Public Health to consider the likely impacts if a recurrent reduction of this magnitude was applied to the Public Health Grant. Longer term impacts and risks identified included: further impacts on statutory areas (e.g. NHS Health Checks; Sexual Health; Health Visiting/0-5s); further reduction in services including: obesity prevention & support, drug & alcohol treatment, mental health, smoking cessation; 'capping' of contracts; a reduction in public health staffing with serious consequences for meeting the local government 'core offer' to the NHS and health promotion services.

3.14 In summary:

- we would again wish to emphasise that the impact of the savings needs to be seen in terms of population health as well as services, and will be likely to be felt for many years with opportunities for prevention foregone.
- as highlighted throughout this submission, we believe that the pressures on the health and social care systems – and indeed wider systems such as benefits, the criminal justice system and early help - support the imperative to invest in public health, prevention and early interventions at local and national level.

The Public Health Allocation formula

3.15 There continues to be significant differential between Councils in the amount that is allocated to public health and as argued through this submission, we would welcome a commitment from government to increase the proportion of health spending to be given to local authorities.

3.16 ADPH believes that there should be increased funding allocated to those Local Authorities that have had historically low public health expenditure to allow them to increase their commitment to the level of at least the average per capita.

3.17 However any increase in funding to those areas where historically funding was low should not be at the detriment to those authorities where historically spending has been high. This level of funding tended to be in areas of significant health inequalities and reflected Primary Care Trust commitment to public health and reducing these inequalities.

3.18 We would urge that a longer term settlement for the Public Health Grant is introduced, as the current model of one year settlements is unhelpful in terms of resource and forward/strategic planning.

The Public Health Ring Fence

3.19 Given that responsibility and associated funding for 0-5 Public Health commissioning will transfer to local authorities on 1st October 2015, we believe it is important that the ring fence remains in place, not least because the new responsibilities for 0-5 year Public Health Services from October 2015 will require a period of financial certainty in order to properly embed commissioning arrangements.

3.20 It is crucial that public health in local authorities is enabled to continue to fully embed – a great deal has been achieved since transition in 2013, but given this further transition in 2015, it will be important to provide time for these new arrangements and opportunities to become firmly established in local authorities.

3.21 However we would welcome clarity in relation to the Government's longer term view of the public health ring-fence – so enabling Directors of Public Health and their local authorities to assure their continued improvement of public health outcomes.

The Health Premium

3.22 In relation to the Health Premium Incentive Scheme, whilst acknowledging that any increase in Public Health funding is welcome, we are concerned that it would be more appropriate for such funding to be applied to core allocations rather than incentive schemes.

3.23 Concerns and uncertainty remain over the robustness of indicators for judging progress and how sensitive they are at a local level; as do concerns that the Scheme design will disadvantage some local authorities, and will also tend to penalise past good performance – as those areas that are already doing well will struggle to get much better and reach the target when compared with areas currently performing less well.

ADPH key recommendations to the Spending Review

We believe that:

1. **The Government should commit to investing in public health, prevention and early interventions at national and local levels in order to secure the future viability of the NHS and social care.**
2. **Pressures on the health and social care systems – and indeed wider systems such as benefits, the criminal justice system and early help - support the imperative to invest in the country's economic wellbeing by maximising opportunities at local and national levels to maintain and improve the public's health.**
3. **Investing in public health, prevention and early interventions offer significant return on investment gains in both the shorter and longer terms - and should therefore be a core element of the Spending Review.**
4. **The impact of any reduction in public health and preventative spending needs to be seen in terms of population health as well as services, and will be felt for many years with opportunities for prevention foregone.**

Association of Directors of Public Health
September 2015

References/further reading:

Fiscal sustainability report June 2015 http://budgetresponsibility.org.uk/fiscal-sustainability-report-june-2015/p94

Local Government Association figures http://www.local.gov.uk/media-releases/-/journal_content/56/10180/7425493/NEWS

Kings Fund, Making the Case for Public Health Interventions: http://www.kingsfund.org.uk/audio-video/public-health-spending-roi

Ernst & Young Creating a Better Care System