

**DERBYSHIRE COUNTY COUNCIL**

**Cabinet**

**15 July 2014**

**Report of the Director of Public Health**

**Public Health Finance (Health and Communities)**

**1. Purpose of the Report:**

- a) To report to Cabinet on a number of financial anomalies that have arisen following the transfer of public health responsibilities to the council last year.
- b) To seek approval for the transfer of resources between the NHS and the council.

**2. Information and Analysis:**

The transition of responsibilities from the NHS to the council in April last year was a highly complex process. As part of ongoing review the following areas have been identified where the responsibilities for contracts and prescribing need to be changed. The main four Derbyshire Clinical Commissioning Groups (CCG's) have been closely engaged in working through these issues alongside the public health officers in a high level of detail and the CCG's are in agreement with the proposed way forward.

**Prescribing costs relating to sexual health and smoking cessation services**

The transfer order from Derbyshire County Primary Care Trust in April 2013 should have included the prescribing costs associated with Local Enhanced Services. This has been confirmed as an omission by the finance leads of four Derbyshire CCG's. The indicative amounts are:-

- For contraception £348,022
- For smoking cessation £545,626

These amounts should be returned recurrently from the CCG's back to the council. It should be noted that the costs of prescribing were included

in the NHS Tameside & Glossop submission so are already included in the public health ring fenced grant.

Work is underway jointly with the CCG's to develop an agreed approach to identifying and recording prescribing costs associated with council public health services.

### **School nursing contract**

The school nursing service was included in a complex block contract prior to transfer to the council. On detailed investigation it has been identified that elements of the contract were for clinical services that remain the responsibility of the CCG's. The disaggregation of the contract has identified that £ 350k should be returned recurrently to North Derbyshire and Hardwick CCG's.

### **Nursery nurse and safeguarding children services**

It has been agreed that the costs of these services were erroneously included in the transfer order. The responsibility for delivering both services lies with the CCG's. The related costs are £20k and £56k per annum respectively and that these sums should be returned recurrently to North Derbyshire and Hardwick CCG's.

### **Children's vision screening**

Guidance on responsibilities for vision screening was only provided by government after the ring fenced grant was agreed. Negotiations have taken place with the CCG's who have agreed that this funding should transfer recurrently to the council. The amount identified is £130k which includes responsibilities for Derby City provision. Agreement to commission this service on behalf of Derby City was the subject of a previous Cabinet report.

### **Transfer of funding**

The finance leads have agreed a mechanism for the transfer of resources between the CCG's and the council which has been developed on an ad hoc basis in 2013/14 pending finalising the amounts outlined above. It is proposed that an agreed mechanism for transfer of funding should be put in place following agreement of this report for 2014/15. However it is further proposed that the realignment of resources be raised via Public Health England with a view to including the identified amounts in the ring fenced grant to the council from April 2015.

### 3. Finance Considerations:

The Summary table below shows the flow of funds to CCG's from DCC Public Health; flow of funds to DCC Public Health to CCG's and the net outflow/(inflow) :-

#### AMOUNTS TO BE RETURNED BY THE COUNCIL PUBLIC HEALTH BUDGET TO CCG's

Children's Clinical Services	£	350,000
Nursery Services	£	20,000
Safeguarding Children Service	£	<u>56,000</u>
<b>Total</b>	<b>£</b>	<b>426,000</b>

#### AMOUNTS TO BE RETURNED BY CCG's TO THE COUNCIL'S PUBLIC HEALTH BUDGET

Children's Vision Screening	£	(130,000)
Funding for Prescribing costs relating to Smoking Cessation Services	£	(545,626)
Funding for Prescribing costs relating to Sexual Health Services	£	<u>(348,022)</u>
<b>Total</b>	<b>£</b>	<b>(1,023,648)</b>

**Net Inflow**    **£**    **(597,648)**

### 4. Legal Considerations:

The agreement about the transfer of staff and resources will be included in the 2014/15 Memorandum of Understanding with the CCG's.

### 5. Other Considerations:

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

### 6. Key Decision:

Yes

**7. Call-in:**

Is it required that call-in be waived in respect of the decisions proposed in the report? No

**8. Officer's Recommendations:**

- i. That Cabinet approves the transfer of funding outlined above between the NHS and the council
- ii. That permission is given for a mechanism for the transfer of funds to be developed
- iii. That approval is given to explore the potential to include the funding changes within the ring fenced grant for 2015/16 with Public Health England

**Elaine Michel**  
**Director of Public Health**