



**FACULTY OF
PUBLIC HEALTH**

A Prevention Transformation Fund Discussion Paper

1. Introduction

This is the second version of a discussion document outlining the UK Faculty of Public Health's developing proposal for a 'Prevention Transformation Fund' for inclusion in the 2019 Spending Review. It is written with the intention to continue a conversation with our members, the public health community, and health decision makers about what the sector needs – at a local government level – to deliver the 'radical upgrade' in prevention and support the wider health system in achieving a 'renewed focus on prevention'.

At this stage the paper deliberately doesn't seek to provide all of the answers to how a transformation fund would work in practice, nor does it outline exact priorities for spending. Instead this paper is seeking to begin to describe – and seek feedback on – a framework for increased public health funding around which more detailed decisions will then need to be made.

2. Summary overview

This proposal is the result of a year of in-depth consultation with FPH members, the public health community, and others across the health, care, and local government sector about public health funding need and resource allocation. So far we have spoken with over thirty organisations, including Public Health England, the Local Government Association, and the Association of Directors of Public Health.

FPH is calling for the UK Government to invest in a Prevention Transformation Fund in the 2019 Spending Review. We propose that the fund be worth between £1-2 billion annually and be dedicated to prevention or early intervention activity based primarily in local government. This Transformation Fund would be established over and above the current, largely services-based funding available to local authorities through the ring-fenced public health grant or, at some future point, via retained business rates. It would be locally led, but with national oversight and linked to nationally set conditions. The fund would be time-limited for the duration of the next spending review period only.

Our members have very clearly indicated that, while most have just about coped with recent budget cuts while maintaining a high standard of services, they have reached the absolute limit of the savings they can make without adversely impacting the health of the public.

As a consequence of the financial climate of recent years, their ability to introduce changes to policies, ways of working, or delivery methods that we already know can improve the quality and effectiveness of existing interventions has also been limited. This has been exacerbated by system incentives which skew investment towards services that show short-

term returns, particularly to the NHS, instead of those that demonstrate wider social or economic value.

Dedicated transformation funding, separate from the ring-fenced grant and its associated conditions, is now required to enable teams to change their pattern of investment to achieve the above, as well as to trial new interventions to further increase our evidence base about what works.

It is also clear that a prevention transformation funding is not the silver bullet for our population health challenges. A broader policy and regulatory environment that prioritises prevention is also required, alongside an NHS that delivers significantly more prevention, and an NHS and local government that are able to work together even more closely and effectively.

3. Background

What does the UK Government currently spend on prevention?

The short answer is that we don't actually know. Spending on prevention is extremely difficult to calculate. It is a crucial evidence gap that PHE has highlighted in the [UK context](#) and that the Organisation for Economic Cooperation and Development (OECD) has raised in a [global one](#). Ultimately it depends what you define as 'prevention'.

We do know that the Office of National Statistics attributes around 5% of total UK Government healthcare expenditure to 'preventive healthcare' – the definition of which is expanded upon [here](#). In England this is mainly distributed via Public Health England through the ring-fenced grant to local authorities. NHS England also commissions some public health functions (mainly screening and immunisations) under Section 7A of the NHS Act 2006.

In numerical terms, the total public health grant to local authorities for 2018/19 is £3.2 billion. For 2018/2019, NHSE will ring-fence £1.2 billion for s.7A services.

In the 2015 budget, the Chancellor announced a £200 million in-year cut to the public health grant, followed by a nearly 4% annual cut until 2020/21 that was announced in the 2015 Spending Review. According to PHE, this means that the public health grant will see a reduction in purchasing power of 21% due to cuts and inflation by 2019/20.

What should we be spending on prevention?

There is widespread agreement in the public health community that the UK should be spending more on prevention, but there isn't a consensus on what the 'right' amount is. When we asked our members and stakeholders how much the health system should spend on prevention, the most common responses were as follows:

- i. **The Marmot recommendation** – the [2010 Marmot Review](#) recommended that funding for prevention and health promotion 'needs to substantially increase to .5% of GDP' by 2030, with 'spending focused proportionately across the social gradient.' At current GDP levels, this would represent approximately £10 billion a year.

- ii. **The Institute for Fiscal Studies and the Health Foundation** has recommended that in order to sustain the NHS and social care systems, public health budgets must be increased by 1% more than the overall growth in the healthcare budget, so that [‘public health spending increases from £4.7 billion in 2018/19 to £9.3 billion by 2033/34’](#).
- iii. **Funding to reverse the cuts** – some stakeholders would like to see the funding cuts to the public health grant announced in the 2015 Spending Review reversed. According to the [Richmond Group](#), this would require a £1 billion additional annual investment back into the grant.

What does the UK Government think we should be spending?

The [UK Government believes that the more than £16 billion](#) it has invested in the local authority grant over this Spending Review period represents a considerable financial commitment to the public’s health. It views the 2015 reforms to public health funding as a success because the UK is performing well on a number of key population health indicators, such as STI new diagnosis rates. Spending levels have also sparked innovation, encouraged more joined-up thinking across councils and led to public health teams better harnessing the full spending and regulatory powers of the council in the interest of population health.

The UK Government has so far rejected the argument that cuts to the public health budget must be reversed simply to deliver business as usual. However, as part of [the long-term funding announcement for the NHS](#) in June 2018, the Prime Minister has now made clear that the prevention of ill-health will be one of a small group of priorities for the NHS long-term plan. She has also pledged to set out budgets for public health in the next spending review. The new Secretary of State for Health, Matt Hancock, has also made prevention one of his own personal priorities. This could signal a Government willingness to revisit the current level of public health funding.

4. Making the case for a Prevention Transformation Fund

What do we mean by ‘transformation?’

By ‘transformation’ we mean the deliberate and planned process to change how services are delivered, staff activity and behaviours, and how people (as patients, individuals or groups) interact with the two. Transformation must result in substantial, measurable improvements in outcomes, satisfaction, and financial sustainability.

We agree with the [Health Foundation and King’s Fund assessment](#) that healthcare transformation has ‘innovation and spread’ at its core. We define innovation in the context of public health interventions as:

The development and implementation of novel public health interventions (including policies, systems, ways of working, products, technologies, services and delivery methods) that improve population health and wellbeing and reduce inequality. Public health innovation should be cost-effective, based on the best available evidence, equitable, and with a particular focus on vulnerable groups. Ideas may be entirely new or adopted or adapted from elsewhere and aim to improve on the effectiveness, efficiency, quality, sustainability, safety and/or affordability of existing interventions.

Why do we think a Prevention Transformation Fund is the right approach?

Through our discussion with our members and the public health community we heard three messages very clearly:

- i. Public health teams have gone to heroic lengths to achieve more or maintain current services within a climate of continually diminishing budgets. While most teams have just about coped with these budget cuts, mostly through one-off recommissioning decisions, they have reached the absolute limit of the savings they can make without adverse consequences for the health of the public.
- ii. As a consequence of the financial climate of recent years, the ability of public health teams to transform services and introduce innovations – as described above – beyond recommissioning has been seriously limited.
- iii. There is a sense that the current public health funding system incentivises spending on services that can show a return on investment to the NHS or are demand-led treatment services. [For example, more than half of the local authority grant on average is spent on demand led- treatment services.](#) Those types of investments are needed and must continue, but their combined impact is to limit investment in prevention and/or those interventions with wider social and economic value beyond the NHS.

This suggests that dedicated transformation funding, separate from the ring-fenced grant and its associated conditions, is now required to enable teams to change their pattern of investment to focus on addressing the above issues. The fund would be time-limited to the duration of the next Spending Review period only, with the expectation that these types of new or improved services and ways of working would be embedded into the standard offer by then.

Added to that, the transformation fund formula is a promising approach because it is one that some local authority public health teams and some wider council teams have significant experience with designing and leading. While these programmes are typically smaller in scale than the one we are proposing, the learning from them would be applicable to this scheme.

What kinds of interventions should the fund support?

The key messages we got back from our consultation on the first version of this discussion document was that a Prevention Transformation Fund should focus on three main intervention categories. They are:

- i. **The spread and implementation of what we already know works** – e.g. what is cost-effective, what reduces inequalities, and what delivers desired outcomes for health and wellbeing. This could include the following types of interventions:
 - [PHE's menu of preventative interventions](#) – released in 2016, this lists a menu of interventions in 14 topic areas, including alcohol, tobacco, contraception, and hypertension, that have the potential to improve the health and wellbeing gap and the care and quality gap within pathways of care across the entire health system. Examples of interventions include increasing access to the most

effective long-lasting reversible contraceptives (LARC) by making LARCs routinely available as part of GP contraceptive offer or reducing the risks of dementia by local authority investment in targeted home adaptation of those experiencing frailty.

- [NICE 'best buys'](#) – NICE analysed 200 public health interventions that had informed previous public health guidance and found that 30 (15%) were cost-saving and a further 141 (70.5%) were cost-effective. The cost-effective interventions include school-based group education to reduce population levels of obesity and brief interventions in GP surgeries to reduce problem drinking.
 - [LGA's menu of cost-saving interventions](#) – in 2015, the LGA made the case for a Prevention Transformation Fund and highlighted 11 prevention programmes across the country for investment in. Some of the interventions highlighted included Birmingham's 'Be Active' scheme which aims to offer free physical activity sessions to over one million people and programme to prevent depression in care-givers.
- ii. **Trialling new interventions, processes or ways of working to build the public health evidence base** – this could include investment in:
- **The top innovations** – what innovations are working at a local level that could be rolled out more widely?
 - **Improving the innovation pipeline** – how can we get future innovations introduced, shared, and scaled up more quickly and effectively?
 - **Digital innovations** – what are the most promising digital innovations that we could scale up nationally?
 - **Developing the workforce** – what new roles, behaviours, skills will the workforce of the future need?
- iii. **Interventions with a clear focus on addressing the wider-determinants and levelling the social gradient** – this could be linked to:
- **The Marmot Review** – the Review suggested a range of priority interventions that would address the social gradient in health. Some of these include improving active travel, improving access and quality of green and open spaces, improving the food environment, reducing fuel poverty, improving community capital, and improving access to high quality housing. [The report of the North East Commission for Health and Social Care Integration](#) provides an example of how Marmot indicators were included in a prevention fund and could be a useful model to replicate.

How will we pay for it?

We will need to be very clear about how the fund is resourced and if the money is reallocated from within the health, or public health system or is 'new' money. So far our consultation has suggested the following avenues to explore, although amounts raised from each area have yet to be determined.

i. **Existing funding**

- **From mandated services** – there is potential to free up a small amount of funds by allowing teams to re-examine ‘what works’ when it comes to prescribed functions and rebadging some of that funding into transformation.
- **From the NHS** – there may be scope for the new NHS long-term plan to include dedicated funding for prevention within local government to support new prevention activity within the NHS. Or the NHS might be able to redeploy some of its existing preventive spend (e.g. s.7A money) for this fund.

ii. **New funding**

- **From raising new taxes** – given the Government’s willingness to raise taxes to support a healthier nation, there may be scope to generate new funding which could be spent on prevention. We would need to explore what levers are available at local level for councils and public health teams to generate income and how much is feasible to raise in this way. New national level funding also needs to be considered.

5. What questions are we seeking answers to next?

- What are the high-level objectives of the fund?** – learning from previous transformation funds show that they work best when the funds work to a small set of clear and measurable objectives. These will need to be defined.
- What are the appropriate conditions attached to the fund?**
- What do we expect to get from this investment and in what timeframe?**
- What are the accountability arrangements?** – how will local control and leadership be facilitated within a national framework and accountability structure?
- What is likely to happen if we don’t invest in prevention transformation?** – has modelling been done to assess what will happen if we don’t invest more in preventive spend or to assess the wider economic benefits from preventive spend?

6. Next steps

- Continue seeking feedback on this discussion paper from FPH members, stakeholders, and other partner organisations to help answer the outstanding questions and further improve our thinking.
- Share the revised version with key stakeholders in the Department for Health and Social Care and Public Health England.

To give feedback on this paper please email policy@fph.org.uk

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