CIPFA

Exploring levels of preventative investment in local government in England

An invitation to participate

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This project is part of the Health Foundation's Healthy Lives programme. The Health Foundation is an independent charity committed to bringing about better health and health care for people in the UK.

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Introduction

Prevention is better than cure. This timeless adage is regularly mobilised to advocate for proactive measures that help alleviate acute service pressures and improve people's health. However, in a climate of compounding pressures on public services and budget constraints, the focus of statutory funding has gradually shifted towards acute services, often at the expense of prevention. The drive to address identifiable, urgent healthcare crises, vital as it is, often overshadows the crucial need for long-term preventative measures.

While prevention is frequently considered a health and social care issue, people's health is shaped by a myriad of wider determinants. A healthy society relies on a solid foundation of essential 'building blocks' that include housing, employment, education and skills, transport, leisure and recreation, and many more. Ensuring these building blocks are in place is a key part of an 'upstream' preventative approach. Local authorities, as place makers, oversee many of the levers that influence the building blocks of health and have the potential to re-evaluate how scarce resources are allocated to improve people's health.

The argument for stopping health problems before they arise, and delaying the consequences when they do, is not novel. The consistent message throughout the existing literature is that a greater effort must be made to make prevention a reality. Recommendations include a community-powered approach to prevention; introducing a third allocation for public expenditure known as preventative departmental expenditure limits (PDEL); and implementing a twin-track approach that addresses immediate health needs, while simultaneously prioritising investing in long-term strategies that recognise the wider determinants of health. These are all valid suggestions, but there is a glaring gap that needs to be addressed before they can be critically evaluated. As it stands, there is a lack of clarity surrounding how much local authorities currently spend on preventative activity.

Purpose and implications

In this context, CIPFA has partnered with the Health Foundation to explore the extent to which local authorities' spending on prevention beyond health and care can be quantified. In doing so, CIPFA and the Health Foundation aim to (1) conduct exploratory work to build consensus on a scope and definition of prevention from both a health and financial perspective; and (2) work with local authorities in co-producing approaches to map preventative activity against this scope and definition and identify associated spending.

As the world's only accountancy and standard-setting body dedicated to public services and public financial management, CIPFA is well-positioned to support and empower local authority partners in their efforts to clarify current levels of preventative investment. While the scope of this project is limited to quantifying preventative investment, primarily that related to the wider determinants of health, it is expected to have far-reaching implications for public financial management and population health. The findings of this project will expand on existing literature on prevention and will contribute to:

- facilitating better evidence-based decision making on the use of resources
- increasing transparency and accountability for how resources are invested
- improving communication and reporting to local residents, and
- supporting future research on the effectiveness and efficiency of prevention, especially where costs and benefits fall to different organisations.

The river of health: moving the focus upstream

Health can be envisioned as a river, with early preventative activity situated upstream, and acute services downstream. The 'river of health' metaphor illustrates the continuum of population health strategies and the interdependence of our public services, encompassing acute care and primary, secondary and tertiary prevention as well as the often overlooked, yet crucial, building blocks of health.

Acute care

In England, there is a pronounced focus on downstream, acute services – many of which fall under the purview of the NHS. Acute care covers treatment for severe injuries and urgent medical conditions, including accident and emergency departments, inpatient and outpatient medicine, and surgery. Often times, these services are the last line of defence before the cliff edge, and heroic efforts are being made every day to save lives. Vast amounts of money are spent in this category of care, as each rescue is expensive.

However, many of those who are treated will drift back towards the cliff edge, as readmission rates increase, and those upstream will continue falling into the river, so pressure continues to build.

Primary, secondary and tertiary prevention

Tertiary prevention comes into effect slightly upstream from the cliff edge – once a disease has been diagnosed and the patient is symptomatic. It aims to manage and mitigate the impact of disease, focusing on reducing complications, rehabilitating patients and improving the quality of life for those with chronic or long-term diseases. It includes a range of treatments and therapies for managing diabetes, post-stroke care and cardiac rehabilitation programmes. Tertiary prevention is critical in reducing disability, maximising patients' functioning and extending life where possible.

Moving further up the river, we encounter secondary prevention, which involves early detection and prompt intervention to stop the progression of disease. This level of prevention is primarily clinical and focuses on individuals who exhibit risk factors or preclinical forms of disease. Screening programmes, such as breast cancer screening and blood pressure checks for hypertension, are quintessential examples of secondary prevention. Early identification allows for timely intervention, often altering the disease's trajectory and preventing serious complications.

As we move upstream yet again, we find services that aim to address disease risk and ill health, as well as ease the flow of people requiring the acute and emergency interventions mentioned above. Primary prevention aims to prevent diseases or injuries before they occur. This is achieved through broad measures that affect large portions of the population such as the First 1,000 Days strategy, immunisation programmes, anti-smoking campaigns and public education on healthy eating and exercise. These initiatives target whole communities to prevent the onset of common health problems, effectively reducing the overall incidence of disease.

The building blocks of health

While primary, secondary and tertiary prevention are crucial for ensuring a healthy population, there are even earlier interventions that can help control the flow of people down the river of health. According to the World Health Organization and the Robert Wood Johnson Foundation, health is shaped by wider determinants such as housing, employment, education and skills, transport, leisure and recreation, and many more. These building

blocks of health, as emphasised by the Health Foundation, play a crucial role in people's health and wellbeing, often more so than traditional health and social care services.

In 2018, the King's Fund published A vision for population health: towards a healthier future, which presents a comprehensive vision for improving population health in England, stressing the need to expand the focus beyond healthcare services to encompass these wider determinants of health, including socioeconomic factors and community engagement. The report underscores the critical issue of escalating health inequalities, highlighting that progress in health outcomes has stalled, with a notable shift from mortality to morbidity. The report argues for a paradigm shift towards prevention, advocating for proactive health strategies that address underlying causes of ill health and promote wellness across the population. Central to this vision is the rebalancing of resources, emphasising the necessity of restoring and safeguarding public health funding. This approach aims to create a more equitable health landscape, where prevention and community involvement are key drivers in addressing health disparities and improving overall population health.

We aim to shift the focus from downstream interventions to upstream initiatives, adopting a community or place-based approach that addresses wider determinants of health. Integrating these wider public health perspectives, or building blocks of health, into economic policies can help address the root causes of disease and health disparities. We must recognise that all public services are interdependent and that by strengthening upstream efforts, we will create a more balanced approach across the prevention and care spectrum. This approach would lead to an environment where health risks are reduced, ensuring that the river of health flows more evenly, minimising and delaying the need for downstream interventions.

Case study: preventative investment in Camden

In 2013, the Local Government Information Unit (LGiU), with the support of Mears and the British Red Cross, piloted a study on tracking preventative spending in Camden Council. While the study focused on adult social care, its findings are applicable to tracking preventative spending on wider determinants of health as well.

Experience from the pilot was taken forward to provide a five-step guide to mapping preventative spend:

1. Establishing a project sponsor and steering group.
2. Identifying aims, objectives and scope (including shared definitions of prevention).
3. Understanding the selected outcome/area of focus.
4. Identifying and mapping preventative services.
5. Analysing and mapping budgets.

Several valuable lessons learned were also shared:

- The importance of having the right leadership and corporate buy-in.
- The necessity of a shared understanding of project aims and definitions of prevention.
- The value of communicating project goals to all staff involved.
- The need for realistic expectations regarding data availability, often leading to informed estimates rather than exact figures.

Barriers to preventative investment and the state of health in England

If prevention is indeed better than cure, what is stopping us from changing our approach? In 2013, the Local Government Information Unit (LGiU), with the support of Mears and the British Red Cross, piloted a study on tracking preventative investment in the London Borough of Camden. While the study's objective was to understand the council's investment in relation to one of the outcomes from its adult social care framework, the findings are also relevant for services related to the wider determinants of health. The pilot identified several barriers to investment in prevention including rising demand on acute services, budgetary pressures and the political cycle. Elucidating the state of these challenges can help us better understand the current health climate in England and what is to come should we fail to act.

Rising demand on acute services

Despite a shift in statutory funding towards acute services, demand has not decreased, as funds have been reallocated from preventative activities. According to CIPFA and the Institute for Government (IfG) in Performance Tracker 2023, service pressures are at an all-time high. As of summer 2023, there were 7.8 million people on NHS waiting lists and 2.5 million economically inactive due to ill health. The demand on acute services continues to increase, making normal delivery near impossible, negatively impacting the economy, and ultimately, people's health. We are spending more and getting less.

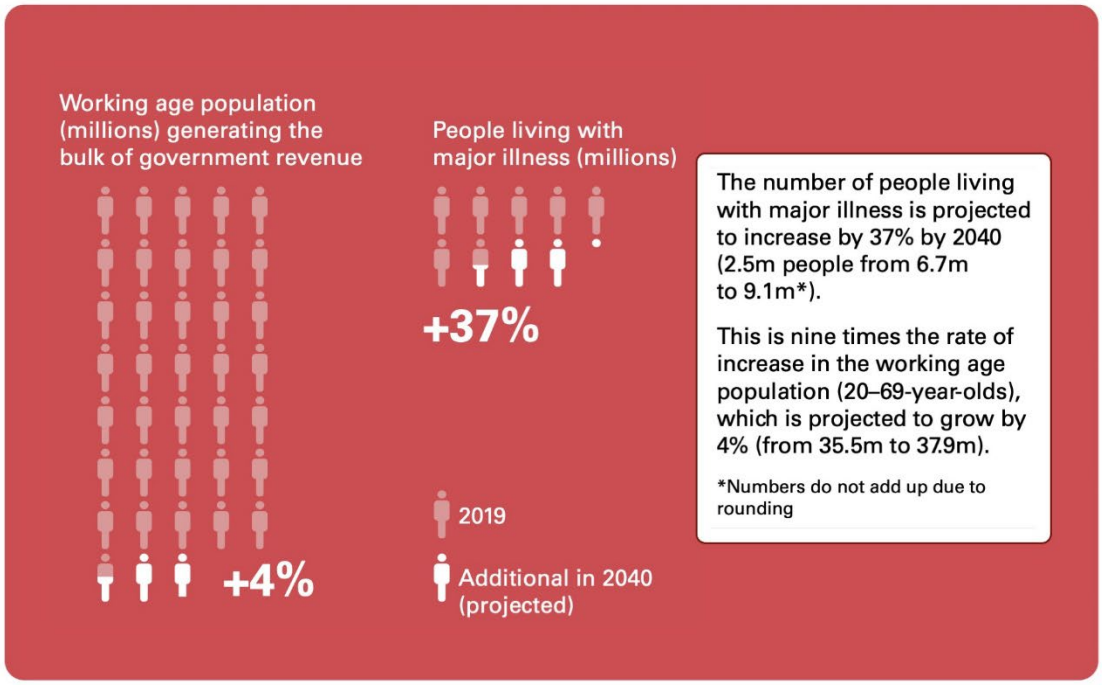
Spending on children's services is one example of how local authorities are navigating the challenges of funding allocations and demands. Early intervention is crucial because it addresses issues before they escalate, improving long-term outcomes for children and reducing the need for more costly services later on. Nevertheless, findings from Pro Bono Economics' report, The well-worn path: children's services spending 2010-11 to 2021-22, point to a 47% increase in spending on high-cost late intervention services, such as child protection, and a 45% cut in spending on early intervention services over this 12-year period. Similar trends can be seen in the housing sector, where costly measures are being taken to provide record high levels of temporary accommodation, while long-term solutions fall further out of reach. Unless measures are taken to redistribute existing resources from costly acute interventions to long-term preventative activity, inequalities are only expected to increase and people's health worsen.

Budgetary pressures and increasing inequalities

In addition to increased demand on acute services, local authorities aiming to expand their preventative activity often face obstacles due to budgetary pressures. According to the Health Foundation, in 2022/23, central government allocated £245bn across essential public services in England including the NHS, schools and local government, but did so inequitably. The most deprived fifth of areas received 3% less funding than needed, while the least deprived received 3% more. This imbalance is pronounced in local government funding, where only 39 out of 150 upper-tier local authorities received funding within 5% of their estimated need. Moreover, the 10.2% decrease in local government spending power from 2009/10 to 2021/22, in the face of increasing demands and a decade marked by austerity, underscores the strain under which these authorities operate, struggling to invest adequately in people's health and address inequalities.

The result of budgetary pressures and inequitable distribution of resources is reflected in the varying levels of life expectancy and healthy life expectancy at birth across England. People living in more deprived areas are expected to live shorter lives than those in less deprived

areas, experiencing a life expectancy difference of 9.4 years for men and 7.7 years for women. Additionally, those same people are expected to live a significantly smaller proportion of their lives in good health, with a healthy life expectancy difference at birth of 18.4 years for men and 19.7 years for women, compared to those living in the least deprived areas. Addressing these gaps in life expectancy and promoting good health requires us to look beyond health and social care reforms towards the building blocks of health.



Source: Modified by CIPFA from The Health Foundation, Health in 2040: projected patterns of illness in England (2023)

Should our approach to health remain the same, service pressures and inequalities are only expected to worsen, delivering a shocking blow to people's health. According to the Health Foundation's report, Health in 2040: projected patterns of illness in England, it is projected that 9.1 million people will be living with major illnesses by 2040 – a 37% increase from 2019. Not captured by this figure are the millions of people who will be living with morbidities of varying complexity. At the same time, the working age population is only expected to grow a modest 4%. These projections suggest a significant increase in the health and care burden, coupled with a disproportionately small working age population to support and fund public services, unless we find coherent and systematic ways to invest in cost-effective preventative activity.

Constraints of the political cycle

The focus on acute services at the expense of prevention and subsequent increase in inequalities is frequently explained by preventative activities' long-term benefits not aligning with short political cycles. Decision makers frequently prioritise immediate results over far-reaching impacts, potentially overlooking the profound and lasting advantages of preventative activity. This approach can result in missed opportunities for shaping healthier communities, as the true value of prevention often unfolds over a span that exceeds their tenure.

However, contrary to the common misconception that the benefits of preventative activity only ever materialise years or decades later, there is potential for immediate gains across

service areas. Housing is just one example of how investing in preventative activity that addresses the wider determinants of health can have immediate gains, as well as long-term benefits. Immediate and sustained impacts in the case of housing include reduced emergency hospital admissions, enhanced mental health outcomes and decreased absenteeism in workplaces and schools.

The findings from various reports, including those from CIPFA and the IfG, Pro Bono Economics and the Health Foundation, underscore the urgent need to rethink our approach to health, particularly in how we allocate resources towards prevention and address the root causes of health inequalities. The identified barriers – rising demand on acute services, budgetary pressures and the constraints of the political cycle – highlight systemic issues that hinder effective investment in preventative activity. These challenges demand innovative solutions to redistribute existing resources more effectively, ensuring the sustainability of services and the resilience of our communities.

Recent thinking on prevention

The case for change is clear. By reimagining our approach to health, we can begin to address the complex web of factors that contribute to inequalities and ill health. Throughout recent years, several reports have called for a shift in focus from acute services to upstream prevention. While the reports referenced below represent only a few critical pieces that relate closely to this briefing, there is an unmistakeable, collective call for strategies that prioritise preventative activity. A key aspect of these reports is the recognition of the need for enhanced evaluation and measurement of preventative investments.

Community-powered approach

In A community-powered NHS: making prevention a reality, New Local outlines many of the challenges already mentioned in this briefing including an elective care backlog and escalating acute service demands that cannot be met. The report critiques the focus on acute care over prevention and advocates for a shift towards a community-powered approach to make prevention a reality. It calls for several significant changes, one of which is to address wider determinants of health by working directly with communities. This report brings into focus the role that the NHS must play, as well as those it cannot do on its own – calling on communities to invest in prevention, and once again, highlighting the interdependence of our public services.

Creation of a new allocation for public expenditure

In Revenue, capital, prevention: A new public spending framework for the future, Demos proposes a forward-looking approach to measuring preventative investment, including investments that address upstream wider determinants of health, underlining the need to shift from a short-term to a long-term financial strategy. The report highlights a significant qualitative difference between spending on acute services and prevention, a distinction not currently mirrored in how public expenditure is distributed, accounted for and reported. There are currently two allocations for public expenditure: (1) resource departmental expenditure limits (RDEL) and (2) capital departmental expenditure limits (CDEL). Demos calls for the introduction of a third allocation known as preventative departmental expenditure limits (PDEL). This new category would serve to classify and ringfence preventative investment, fostering a long-term perspective in public spending. Demos argues that the establishment of PDEL would set a baseline for preventative measures, enhance government accountability for prevention spending and promote the importance of prevention. The

proposed reclassification also aims to motivate officials and agencies to develop targeted prevention programmes and activities and to improve long-term decision making.

Twin-track approach

CIPFA's report, Integrating care: policy, principles and practice for places, advocates for a twin-track approach that addresses immediate pressures and aims to ensure services are sustainable in the long term by investing in services that affect the wider determinants of health. This approach aims to rectify the current imbalance between acute and preventative services, thereby fostering good public financial management that is forward looking in order to safeguard the sustainability of services and the health of our population as an asset now and in the future.

Addressing knowledge gaps

In 2019, CIPFA and Public Health England (PHE) published Evaluating preventative investments in public health in England, which aims to enhance the evaluation and measurement of preventative public health investments. It advocates for a comprehensive and transparent approach to evaluate both the immediate and long-term costs and benefits of preventative investments, emphasising the importance of considering future financial sustainability. The report stresses that, "the key to putting a greater emphasis on prevention is understanding the current position and the future implication of not making such investments." In other words, if strategies to secure further investment in prevention are to be successful, we must know where we currently stand.

Exploring preventative investment in local government

The underlying message in the existing literature on prevention is that to effectively shift the balance of spending, an accurate and transparent understanding of how much is currently being spent on preventative activity is fundamental. In that context, this project has two objectives:

1. Conduct exploratory work to build consensus on a scope and definition of prevention from both a health and financial perspective.

2. Work with local authorities in co-producing approaches to map preventative activity against this scope and definition and identify associated spending.

Establishing a working definition of prevention

As wider determinants of health are influenced by a broad spectrum of public services, it is challenging to accurately and transparently quantify local authorities' investments. While some financial reporting standards, such as the CIPFA Service Reporting Code of Practice for Local Authorities, include 'prevention' as a category, the definitions and applications within these categories vary, leading to inconsistencies and a lack of understanding of the true scale of preventative investments at the local level.

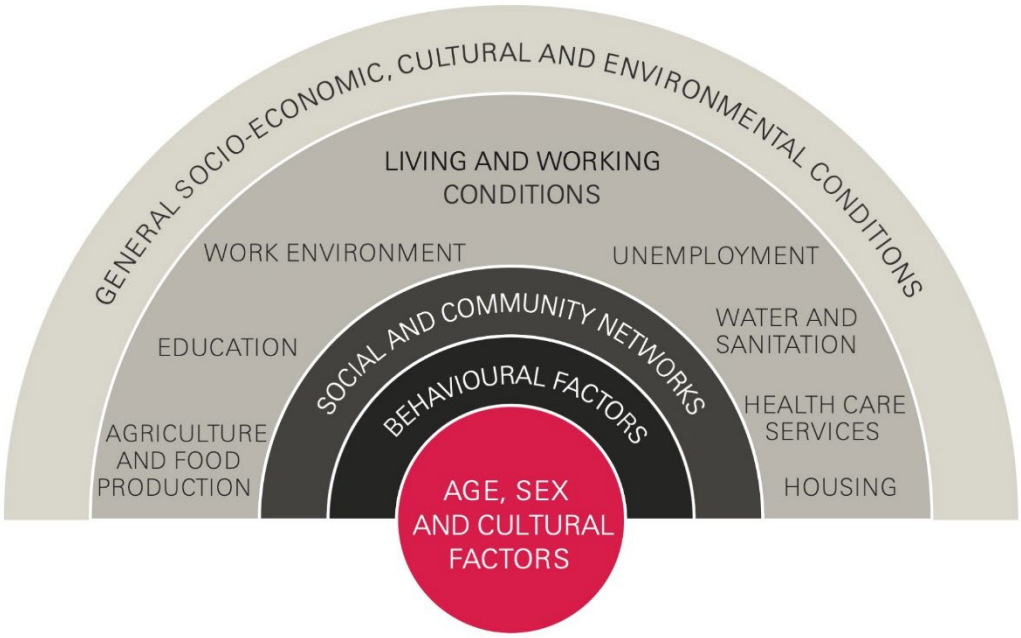
One of this project's primary conceptual challenges is developing a scope and definition of prevention that is inclusive of the wider determinants of health, while also being precise enough for practical application from a public finance perspective. The scope and definition will need to take into account varying reporting practices across local authorities and be malleable enough to accommodate these differences.

To address this challenge, we will engage with a wide range of stakeholders including those on the Exploring Preventative Investment Reference Group, comprising experts from local

government, public finance, the NHS, charities, think tanks and academia. Early discussions have stressed the importance of finding the right balance between precision, to guide the research, and flexibility, to allow for localised approaches with each partner.

Why local government?

When it comes to people's health, the NHS is but one part of a much larger system of interdependent public services – it does not hold the required levers to address all health-related challenges by itself. In this context, local authorities, of all levels, emerge as pivotal players alongside the NHS and other service providers in shaping people's health, as highlighted in CIPFA's report on Integrating care: policy, principles and practice for places. As place makers, local authorities wield significant influence over a wide array of services that impact the wider determinants of health, extending well beyond the NHS's purview. Their responsibilities encompass crucial areas that influence housing, employment, education and skills, transport, leisure and recreation, and many more – all of which are fundamental in promoting long-term health and wellbeing.



Source: The Health Foundation, What makes us healthy? (2018)

Responsibilities of upper-tier councils such as social care and public health have a critical role. However, functions of lower-tier councils are also crucial, as highlighted by the King's Fund report on the role of district councils. Local councils' close community connections and agility make them indispensable in health system reform and health promotion, enabling them to invest in a variety of services and opportunities that foster health throughout the life course and reduce dependency on NHS services.

Our vision for local authority partnerships

Recognising that local authorities have their own unique needs and objectives regarding population health, we are committed to co-producing a tailored approach with each partner. This process will be guided in part by the experience of past research, such as the case study from Camden Council, and will involve engaging with local authorities from the planning phase to ensure that their needs are met. Through comprehensive stakeholder engagement, we aim not only to develop a shared understanding of 'prevention', but also to

create robust case studies and establish best practices for evaluating current levels of preventative investment. This approach ensures that our project is adaptable, relevant and beneficial for a wide range of local contexts.

Invitation to participate

There is an urgent need for a deeper understanding and transparency surrounding the way we view and invest in people's health. The alarming statistics and trends discussed throughout this briefing reveal the profound impact of years of budget constraints on our collective ability to prevent ill health. This is not just a health and care crisis – it is a societal challenge that calls for a strategic, integrated response.

It is increasingly evident that a twin-track approach that simultaneously prioritises acute services and preventative activity is essential, although challenging. To effectively implement this approach, a foundational step is understanding the extent to which local authorities' spending on preventative activity can be quantified. This understanding is crucial because local authorities are at the forefront of shaping health outcomes, given their direct influence over a wide range of building blocks of health, including housing, education, public health, social care, transport and leisure. Local authorities are not just participants but key drivers of this transformation.

This initial briefing is not merely an invitation to participate – it is a beckoning towards a shared vision where health is a collective responsibility. We encourage local authorities to seize the opportunity to collaborate with CIPFA and the Health Foundation to develop a clearer understanding of current levels of preventative investment. In doing so, we will consequently lay the groundwork for thinking about prevention differently, moving towards a culture that views health as an asset.

To learn more about the project and how you can get involved, please contact Zachary Scott (Policy Researcher on Prevention, CIPFA) via email at zachary.scott@cipfa.org or LinkedIn.