



HEALTH OVERVIEW AND SCRUTINY COMMITTEE

19th JANUARY 2022

MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2025/26

JOINT REPORT OF THE DIRECTOR OF PUBLIC HEALTH AND THE DIRECTOR OF CORPORATE RESOURCES

Purpose of Report

1. The purpose of this report is to:
 - a) provide information on the proposed 2022/23 to 2025/26 Medium Term Financial Strategy (MTFS) as it relates to Public Health; and
 - b) ask the Committee to consider any issues as part of the consultation process and make any recommendations to the Scrutiny Commission and the Cabinet accordingly.

Policy Framework and Previous Decisions

2. The County Council agreed the current MTFS in February 2021. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS proposed for 2022/23 to 2025/26 was considered by the Cabinet on 14th December 2021.

Background

3. The MTFS is set out in the report to Cabinet on 14th December 2021, a copy of which has been circulated to all members of the County Council. This report highlights the implications for the Public Health Department.
4. Reports such as this one are being presented to the relevant Overview and Scrutiny Committees. The views of this Committee will be reported to the Scrutiny Commission on 31st January 2022. The Cabinet will consider the results of the scrutiny process on the 11th February 2022 before recommending an MTFS, including a budget and capital programme for 2022/23, to the County Council on the 23rd February 2022.

Service Transformation

5. The 2021/22 settlement for Leicestershire was £25.515m, a 1.1% increase on the 2020/21 grant. The uplift to the grant also includes additional funding to

cover the costs of routine pre-exposure prophylaxis (PrEP) commissioning. The outcome of the recent review of commissioning arrangements for health visiting, school nursing and sexual health services that was originally set out in the NHS Long Term Plan has resulted in no substantive movement of responsibilities back to the NHS. The review has called for a collaborative commissioning approach to Sexual Health Services but further guidance on how this will work in practice is awaited.

6. During 2021/22, the Department received Contain Outbreak Management funding of £3.0m to continue to support test, trace and contain activity. This money supports the delivery of the authority's Outbreak Control Plan which outlines how the department is managing the response to Covid-19 across the county.
7. The Department and the services it commissions and delivers continue to be structured in line with statutory duties and the Target Operating Model as set out in the Early Help and Prevention Review. The Department will consider the in-house provision of services as a preferred option, where appropriate, recognising that specialised health improvement treatment services will continue to be externally commissioned through the NHS and third sector markets.

Proposed Revenue Budget

8. Table 1 below summarises the proposed 2022/23 revenue budget and provisional budgets for the next three years thereafter. The proposed 2022/23 revenue budget is shown in detail in Appendix A.

Table 1 – Revenue Budget 2022/23 to 2025/26

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Original prior year budget	-1,323	-1,446	-1,446	-1,546
Budget transfers and adjustments	-23	0	0	0
Add proposed growth (Appendix B)	0	0	0	0
Less proposed savings (Appendix B)	-100	0	-100	-90
Proposed/Provisional budget	-1,446	-1,446	-1,546	-1,636

9. Detailed service budgets have been compiled on the basis of no pay or price inflation, a central contingency will be held which will be allocated to services as necessary.
10. The central contingency also includes provision for an annual 1% increase in the employers' contribution to the Local Government Pension Scheme based upon the 2019 triennial actuarial revaluation of the pension fund.
11. The total gross proposed budget for 2022/23 is £33.2m with contributions from health, transfers and various other income sources totalling £9.1m. The ring-fenced grant allocation for 2022/23 is estimated to be £25.515m.

12. The proposed net budget for 2022/23 of - £1,446k is distributed as shown in Table 2 below:

Table 2 - Net Budget 2021/22

	£000	%
Public Health Leadership	-2,152	-8.9
Local Area Co-ordination	1,689	7.0
Quit Ready	611	2.5
First Contact Plus	707	2.9
Other Public Health Services	172	0.7
Programme Delivery	1,513	6.3
Public Health Advice	761	3.2
Weight Management Service	284	1.2
NHS Health Check Programme	500	2.1
Children's Public Health 0-19	9,124	37.9
Domestic Violence	435	1.8
Sexual Health	4,187	17.4
Substance Misuse	4,184	17.4
Physical Activity	1,146	4.8
Obesity Programmes	190	0.8
Health Protection	649	2.7
Tobacco Control	70	0.3
Active Together (formerly Leicestershire and Rutland Sport)	0	
Total	24,069	100.0
Public Health Ring Fenced Grant	-25,515	
Total Net Budgeted Spend	-1,446	

Budget Changes and Adjustments

13. A budget transfer for Ways of Working (a decrease of £23k) is to be made during the 2021/22 financial year.
14. Growth and savings have been categorised in the appendices under the following classification;
- * item unchanged from previous MTFS
 - ** item included in the previous MTFS, but amendments have been made
 - No stars - new item
15. This star rating is included in the descriptions set out for growth and savings below.

16. Savings have also been classified as 'Eff' or 'SR' dependent on whether the saving is seen as efficiency or service reduction or a mixture of both. 'Inc' denotes those savings that are funding related and/or generate more income.

GROWTH

17. Growth bids made by Public Health are in response to national issues faced by all public health authorities and not internally generated initiatives; as a result they are kept to a minimum and for MTFS 2022 are zero.

SAVINGS

18. Details of proposed savings are set out in Appendix B and total £0.1m in 2022/23 rising to £0.3m per annum by 2025/26. These are detailed in the following paragraphs.

19. *PH1: Eff/SR Early Help and Prevention Review - review of externally commissioned prevention services; £65,000 in 2022/23

The Early Help and Prevention Strategy was approved by Cabinet on 17 June 2016 and was comprised of savings in the following key areas: Homelessness Prevention, Substance Misuse Treatment Services, YP Tobacco Programme and Adults & Communities, Support for Carers Contract. To date, savings of £1,249k have been delivered.

20. PH2: Eff/SR Redesign of integrated lifestyle service pathways; £100,000 in 2024/25

Opportunities for the redesigning of integrated lifestyle service pathways is underway with potential changes to service delivery being reviewed with support from the Transformation Unit and Strategic Finance. At this stage no risks have been identified but this may change as opportunities are reviewed.

21. PH3: Eff/SR Review of Commissioned services; £35,000 in 2022/23 rising to £125,000 in 2025/26

The department is working with the Transformation Unit to identify opportunities for savings across its portfolio of commissioned services. To date £35,000 has been identified and work is underway to identify the remainder of the saving for this line. The department is confident that savings will be reached within the time scales and with political agreement.

Savings under Development

22. Early Help and Prevention

Explore potential to expand Early Help and Prevention to include a review of services currently in other departments across the authority and realise additional savings to those already delivered to ensure interventions are efficient and effective.

23. Internal Infrastructure Costs (Weight Management)

A review of the infrastructure costs that are paid to organisations will be conducted to determine whether this funding is still needed.

24. Health Checks

Redesign of the Health Check programme to see what scope there is for delivering this service in a different way whilst still ensuring the statutory element of the service is provided

25. Clinical Commissioning Group (CCG) Prescribing Recharges

CCGs in Leicestershire currently recharge Public Health for prescription items related to Public Health activity. However, in many authorities this isn't the case. There is an opportunity to ensure a standardised approach as CCGs move towards an integrated care model.

26. Service Efficiencies

A review of the costs of each interaction with service users to see what opportunities there are to provide services, more efficiently whilst still delivering desired outcomes.

27. Commercialisation of elements of the school offer

Selling some of the current PH services to schools and workplaces. This will initially be explored in the County but given the ability of the Public Health service to deliver services in house, the opportunities to provide services outside Leicestershire could also be explored.

External Influences

28. Demand Led Activity

Sexual Health services are required to be provided on an open access basis and therefore there is a risk to the achievement of the MTFs. Health Checks are also demand driven.

29. Inflation

The department continues to be at risk of inflationary pressures. Although there has been an increase to the Public Health Grant in 2021, there is an ongoing requirement for the Department to meet increased provider costs.

30. Public Health Grant

There continues to be uncertainty around the Public Health Grant due to the lack of business rate retention reform. We are anticipating that the grant will be extended for a further year into 2022/23.

Other Funding Sources

31. There are several funding sources that contribute to the overall budget for Public Health.

<u>Funding Source</u>	<u>Description</u>	<u>Value £000</u>	<u>RISK RAG</u>
Public Health Grant	Public Health Grant Allocation 2021/22(awaiting announcement for 2022/23 allocation).	25,515	G
Sport England Grant	Leicester-Shire and Rutland Sport receive funding to deliver a number of programmes. Funding varies each year, according to the programmes supported.	759	G
Better Care Fund	Funding allocation for First Contact Plus.	159	G
Rutland County Council	The provision of Public Health support to the authority and a section 113 agreement for Mike Sandys as the DPH.	297	G
Office of the Police and Crime Commissioner	This funding is a contribution to the (drugs) treatment contract.	145	G
Clinical Commissioning Groups	To meet the costs of contraceptive devices which are fitted to treat an existing medical condition.	100	G

Background Papers

Cabinet 14th December 2021 - Medium Term Financial Strategy 2022/23 to 2025/26

<http://politics.leics.gov.uk/documents/b17344/Item%204%20-%20MTFS%20-%20Supplementary%20Report%20Tuesday%2014-Dec-2021%2014.00%20Cabinet.pdf?T=9>

Circulation under Local Issues Alert Procedure

None.

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List of Appendices

Appendix A – Revenue Budget 2022/23

Appendix B – Growth & Savings 2022/23 – 2025/26

Equality and Human Rights implications

32. Public authorities are required by law to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation;
 - Advance equality of opportunity between people who share protected characteristics and those who do not; and
 - Foster good relations between people who share protected characteristics and those who do not.
33. Many aspects of the County Council's MTFS may affect service users who have a protected characteristic under equalities legislation. An assessment of the impact of the proposals on the protected groups must be undertaken at a formative stage prior to any final decisions being made. Such assessments will be undertaken in light of the potential impact of proposals and the timing of any proposed changes. Those assessments will be revised as the proposals are developed to ensure decision makers have information to understand the effect of any service change, policy or practice on people who have a protected characteristic.
34. Proposals in relation to savings arising out of a reduction in posts will be subject to the County Council Organisational Change policy which requires an Equality Impact Assessment to be undertaken as part of the action plan.

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