

HEALTH OVERVIEW AND SCRUTINY COMMITTEE
22 JANUARY 2018

MEDIUM TERM FINANCIAL STRATEGY 2018/19 – 2021/22

MINUTE EXTRACT

Medium Term Financial Strategy 2018/19 - 2021/22

The Committee considered a joint report of the Director of Public Health and the Director of Corporate Resources which provided information on the proposed 2018/19 to 2021/22 Medium Term Financial Strategy (MTFS) as it related to the Public Health Department. A copy of the report marked 'Agenda Item '8' is filed with these minutes.

The Chairman welcomed Mrs P Posnett CC, Interim Cabinet Lead Member Health, Public Health and Sport, to the meeting for this item.

In introducing the report, the Director and Cabinet Lead Member reminded the Committee that Public Health was financed through a ring-fenced grant from the Department of Health. This grant decreased in real cash terms by between two and two and a half percent each year until March 2020. It was currently expected that, after March 2020, Public Health would be financed through the 75 percent business rate retention scheme. The Public Health Department aimed to achieve the necessary savings through building on its track record of reconfiguring services to provide at least the same level of service for less money.

Arising from discussion, the following points were raised:-

Service Transformation

- i) The Committee welcomed the savings that the Department had made through service design, but sought assurance that the level of service was not being affected. The Committee was advised that this was achieved through robust contract management; services were reviewed against their activity levels and evidence of the effectiveness of the interventions. These reviews were then used to hold providers to account where they were not delivering the expected level of service. In addition, some efficiency savings had resulted in service improvement, such as providing a digital offer for the smoking cessation service, or through joint commissioning which improved alignment with partners.

Growth

- ii) It was noted that increased testing was expected as a result of the new Pre Exposure Prophylaxis (PrEP) treatment for HIV risk groups and that growth in the budget had been provided accordingly. If the level of growth was insufficient, this would result in a cost pressure across the sexual health service and would require savings to be found from elsewhere within the service or Departmental budget. As sexual health was an open-access service, it could be more difficult to manage demand.

Savings

- iii) It was noted that the balance of the savings target, after the Early Help and Prevention Review, would largely be met from reductions in the contracts for Homelessness Prevention and Short Term Refuge Accommodation. It was acknowledged that the savings equated to approximately a third of the value of these contracts. Achieving the level of savings required was likely to be challenging, although strengthening the links with mental health and substance misuse services could result in efficiencies. Other areas, such as weight management, were also being investigated for savings.
- iv) It was noted that a national consultation on funding for supported accommodation services, including homelessness and short term refuges, was currently being undertaken by the Government. The proposal in the consultation was for Upper Tier Authorities to fund these services through a ring-fenced grant. The outcome of the consultation was expected to influence any proposals for savings in this area.
- v) It was noted that treatment services were the largest area of spend for the Public Health Department and it was therefore important for these services to be effective. The Committee was advised that the recommissioning of the Smoking Cessation Service was a good example of this as it had resulted in a significant decrease in the budget and an increase in activity. With regard to substance misuse, the Committee was advised that service redesign had improved alignment and joint working with other services, especially as it was now jointly commissioned with Leicester City Council and the Office of the Police and Crime Commissioner. It was acknowledged that the service faced ongoing challenges, such as the increase in the use of novel psychoactive substances. The Department was developing its approach to Prevention Strategies and was starting to see improvements in multi-agency preventative working, particularly for lifestyle behaviours.
- vi) The savings under development for the 0-19 Health Visiting and School Nursing Service were still at a very early stage. Comparisons with how the services was provided in other local authority areas were currently being made and consideration was being given to how the Public Health Department could work more closely with Children and Family Services. Detailed proposals would be brought to this Committee for comment in due course.

Other Funding Sources

- vii) The funding from University Hospitals of Leicester (UHL) supported a Medical Consultant in Public Health to work with UHL on the development of strategies and providing analysis of relevant evidence bases. Negotiations for funding for 2018/19 were ongoing and had so far been positive.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 24 January 2018.

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