



HEALTH OVERVIEW AND SCRUTINY COMMITTEE
16 JANUARY 2019

MEDIUM TERM FINANCIAL STRATEGY 2019/20 – 2022/23

MINUTE EXTRACT

Medium Term Financial Strategy 2019/20 – 2022/23

The Committee considered a joint report of the Director of Public Health and the Director of Corporate Resources which provided information on the proposed 2019/20 to 2022/23 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 MBE CC, Cabinet Lead Member Health, Public Health and Sport, to the meeting for this item.

In introducing the report, the Director and Cabinet Lead Member informed the Committee that 2019/20 was the last year that Public Health would be financed through a ring-fenced grant from the Department of Health. It was expected that from 2020/21 Public Health would be funded from retained business rates. However, until the outcome of the 2019 Spending Review was announced the exact funding that the Public Health Department would receive would not be known and therefore assumptions had been made in the MTFS. The Director was confident that Public Health would be able to make the necessary savings for a balanced budget for the 2019/20 year. However, for the following three years the position was less clear.

Arising from discussion, the following points were noted:-

Service Transformation

- (i) The Director of Public Health provided some reassurance that if the funding position changed in the future from that which had been anticipated, then the financial plans for Public Health could be altered and contingency plans would be put in place. In the meantime work was underway to reduce costs in the department such as focusing on digitising services.
- (ii) In response to a question from a member regarding the budget totals showing a debit balance it was explained that some of the Public Health Grant was used for preventative activities in other departments of the County Council.

Growth

- (iii) An assumption had been made that in the subsequent years of the MTFs, the Public Health specific grant (or whatever replaced it) would remain at the same level as in 2019/20.

Savings

- (iv) The Director of Public Health stated that he had high levels of confidence that the proposed savings as set out in the report could be made and confirmed that the savings relating to Integrated Sexual Health, NHS Health Checks and Heart Smart had already been achieved. The Director of Public Health was also confident that the savings relating to Substance Misuse Treatment Services could be achieved as the plans had been developed in a high level of detail.
- (v) The savings relating to Homelessness Prevention were not confirmed yet as public consultation needed to take place on the proposals; however, the Director of Public Health had confidence that the financial modelling was sound. Further work was required to be undertaken to establish how the outreach element of the service would work. It was expected that this would be a similar model to the Local Area Co-ordinators and the role would include ensuring effective links between the work District Councils undertook on homelessness and the wider Public Health work.
- (vi) An action plan was currently in place to rationalise staffing levels in the provider arm of the Public Health Department. This could affect Local Area Co-ordinators, although overall Leicestershire did have the largest team of Local Area Co-ordinators in the country. This fitted with the Department's ethos around providing prevention services at the lowest cost in the community and seeking to develop community capacity.
- (vii) In response to a query from a member as to why no allowance had been made for inflation or cost increases the Director of Public Health explained that when services were externally commissioned the provider was expected to meet inflationary pressures as part of the contract. The Treasury had also previously made a payment directly to NHS providers to account for inflation, although it was unclear whether this would continue. Any additional cost pressures would have to be accounted for 'in year'.
- (viii) The planned recruitment freeze for the school nursing service had not yet begun therefore the impact on the service was not yet known. It was hoped that the introduction of digital tools such as text health and web health, would mitigate against any negative impact on the school nursing service. Joint working was taking place between the Public Health Department and Children and Family Services to ensure that the changes proposed would not have a disproportionate impact on certain groups of children such as those with Special Educational Needs.

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 28 January 2019.

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