



HEALTH OVERVIEW AND SCRUTINY COMMITTEE

15th JANUARY 2020

MEDIUM TERM FINANCIAL STRATEGY 2020/21 – 2023/24

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 2020/21 to 2023/24 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 2019. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2020/21 – 2023/24 was considered by the Cabinet on 17 December 2019.

Background

3. The MTFS is set out in the report to Cabinet on 17 December 2019, 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 27 January 2020. The Cabinet will consider the results of the scrutiny process on the 7 February 2020 before recommending an MTFS, including a budget and capital programme for 2020/21, to the County Council on the 19 February 2020.

Service Transformation

5. In the 2019 Spending Round, the Chancellor announced a real terms increase to the Public Health Grant budget, which will ensure local authorities can continue to provide prevention and public health interventions. The 2020/21 settlement for Leicestershire has yet to be confirmed; however, there is an expectation that it will be inflation plus 1%

higher than the 2019/20 allocation. The department is led to believe that the 1% increase will be kept back to pay for further burdens which include paying for the third year of the NHS pay award for the Council's commissioned NHS services and also the testing phase of the Pre Exposure Prophylaxis (PrEP) rollout. The department has had confirmation that the inflation money will come into the authority. 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. The Department and the services it commissions and delivers continues 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

7. Table 1 below summarises the proposed 2020/21 revenue budget and provisional budgets for the next three years thereafter. The proposed 2020/21 revenue budget is shown in detail in Appendix A.

Table 1 – Revenue Budget 2020/21 to 2023/24

	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Original prior year budget	-486	-665	-745	-810
Budget transfers and adjustments	706	0	0	0
Add proposed growth (Appendix B)	20	20	0	0
Less proposed savings (Appendix B)	-905	-100	-65	0
Proposed/Provisional budget	-665	-745	-810	-810

8. 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.
9. The central contingency also includes provision for an annual 1% increase in the employers' contribution to the Local Government Pension Scheme based upon the 2016 triennial actuarial revaluation of the pension fund.
10. The total gross proposed budget for 2020/21 is £27.4m with contributions from health, transfers and various other income sources totalling £3.3m. The ring-fenced grant allocation for 2020/21 is estimated to be £24.705m.
11. The proposed net budget for 2020/21 of - £665k is distributed as shown in Table 2 below:

Table 2 - Net Budget 2020/21

	£000	%
Public Health Leadership	1,623	6.8
Local Area Co-ordination	840	3.5
Quit Ready	570	2.4
First Contact Plus	262	1.1
Other Public Health Services	197	0.8
Programme Delivery	695	2.9
Public Health Advice	1,042	4.3
Domestic Abuse	357	1.5
Weight management Service	363	1.5
Children's Public Health 0-19	8,119	33.8
Sexual Health	3,955	16.5
NHS Health Check Programme	504	2.1
Substance Misuse	4,013	16.7
Physical Activity	1,111	4.6
Obesity Programmes	200	0.8
Health protection	114	0.5
Tobacco Control	75	0.3
Leicester-Shire and Rutland Sport	0	
Total	24,041	100.0
Public Health Ring Fenced Grant	-24,705	
Total Net Budgeted Spend	-665	

Budget Changes and Adjustments

12. 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

13. This star rating is included in the descriptions set out for growth and savings below.

14. 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

15. 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.

16. Details of proposed growth are set out in Appendix B and provide for an additional £0.04m per annum by 2023/24. These are described in the following paragraphs.
17. *G16 Integrated Sexual Health Service - increased testing expected as result of new Pre Exposure Prophylaxis (PrEP) treatment for HIV risk groups; £20,000 in 2020/21 rising to £40,000 in 2021/22.

PrEP is a retro-viral drug; tests have suggested that it is effective at reducing the spread of HIV amongst high risk groups. Local authorities (under the Health and Social Care Act 2012) are responsible for the increased testing that will be required when the treatment is introduced.

SAVINGS

18. Details of proposed savings are set out in Appendix B and total £0.9m in 2020/21 rising to £1.1m per annum by 2023/24. These are detailed in the following paragraphs.
19. **PH1 Eff/SR Early Help and Prevention Review - review of externally commissioned prevention services £350k in 2020/21 rising to £515k in 2022/23

The Early Help and Prevention (EHAP) Strategy was approved by Cabinet on 17 June 2016 and is comprised of savings from the following areas: Homelessness Prevention (£200k in 2020/21), Substance Misuse Treatment Services (£150k in 2020/21), YP Tobacco Programme (£80k in 2020/21) and Adults & Communities, Support for Carers Contract (£19k in 2020/21).

£52,000 of the Substance Misuse savings target has been delivered early in 2019/20. The remaining £98,000 won't be delivered until 2021/22. There remains a £66,000 gap in the EHAP savings to be achieved from 2022/23 onwards; however, this will be achieved through Savings Under Development.

20. *PH2 Eff Redesign Integrated Lifestyles service; £45,000 in 2020/21

The scope of the project is to improve the integration of lifestyle services and review the service delivery model for adult weight management to bring it in-line with approaches used in the stop smoking and First Contact Plus services. A new service design, which will generate ongoing savings of £65,000 in total, was approved by Cabinet in October 2018. A decision to bring in the children's Weight Management Service was also taken at the same time and both services are now in house and are embedding into the integrated lifestyle system.

21. *PH3 Eff Review of Staff Absence; £10,000 in 2020/21

To reflect the support being put in place to reduce staff absence a financial target has been allocated to all departments. The department will continue to manage absence and it is expected that this saving will be achieved in full.

22. *PH4 Eff 0-19 Health Visiting & School Nursing service; £0.5m in 2020/21

The current contract, which commenced in April 2017, has a value of £8.6m and an initial term of three years. The contract was extended for a further two years, under a contract variation, with the reduced amount being agreed upon. As part of the agreement to reduce the contract value, commissioners within PH are working with the provider to realise more efficient ways of working using digital technologies.

Savings under Development

23. The Department has been requested to identify £0.5m of additional savings over the next four years. The table below shows the areas being worked on currently to achieve savings by 2023/24:

	Description of Saving	Approach	Date to be Achieved
Substance Misuse Alcohol Brief Advice £100,000 contract value	The current delivery model is via GP and Pharmacy and although the evidence is robust for this intervention, the delivery mechanism is not as effective as other more intuitive methods of delivery, so a re-design piece is being considered. Savings Proposed £50,000	Alcohol brief advice is part of the wider substance misuse review and strategy development and a different approach to delivery is being reviewed.	2021/22
Understanding and Managing Risk	Balance of a larger contract saving linked to the YP Tobacco Programme Savings of £19,000	Balance of saving from the decommissioned service	2020/21
Schools Traded Offer £150,000 contract value	There are a number of current services that are delivered to schools including young person's physical activity as well as various specialist training elements. The department are exploring the option of moving these to a traded service model. Savings proposed £100,000	Work is underway to identify which strands of the delivery could be included in such an offer as well as identifying an aligned date for possible transition.	2022/23

External Influences

24. 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.


25. Inflation

The department continues to be at risk of inflationary pressures. Although the Chancellor has announced an increase to the Public Health Grant for the first time since 2013, there is a requirement for the Department to meet increased provider costs for the third year of the NHS pay deal.

Other Funding Sources

26. There are a number of funding sources that contribute to the overall budget for Public Health.

Funding Source	Description	Value £	RISK RAG
Public Health Grant	Public Health Grant Allocation.	24,705,300	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.	800,000	G
Better Care Fund	Funding allocation for First Contact Plus.	159,300	G
Rutland County Council	The provision of Public Health support to the authority and a section 113 agreement for Mike Sandys as the DPH.	151,000	G
University Hospitals Leicester	The provision of Public Health support for specialist projects. This is agreed annually and is not yet in place for 2020/21.	100,000	A
Office of the Police and Crime Commissioner	This funding is a contribution to the (drugs) treatment contract.	£111,856	G
Clinical Commissioning Groups	To meet the costs of contraceptive devices which	£140,000	G

	are fitted to treat an existing medical condition.		
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Background Papers

Cabinet 17 December 2019 - Medium Term Financial Strategy 2020/21 to 2023/24
<http://politics.leics.gov.uk/documents/s150282/MTFS%202020-24%20-%20Cab%20171219%20final.pdf>

Circulation under Local Issues Alert Procedure

None.

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List of Appendices

Appendix A – Revenue Budget 2020/21
 Appendix B – Growth & Savings 2020/21 – 2023/24

Equality and Human Rights implications

27. 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.
28. 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.

29. 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.