



## **HEALTH OVERVIEW AND SCRUTINY COMMITTEE**

**13<sup>th</sup> JANUARY 2021**

### **MEDIUM TERM FINANCIAL STRATEGY 2021/22 – 2024/25**

### **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 2021/22 to 2024/25 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 2020. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS for 2021/22 – 2024/25 was considered by the Cabinet on 15 December 2020.

#### **Background**

3. The MTFS is set out in the report to Cabinet on 15 December 2020, 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 25 January 2021. The Cabinet will consider the results of the scrutiny process on the 5 February 2021 before recommending an MTFS, including a budget and capital programme for 2021/22, to the County Council on the 17 February 2021.

#### **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 was £25.234m, a 4.6% increase on the 2019/20 grant. The additional funding did pay for additional responsibilities including paying for the third year of the NHS pay award for our commissioned NHS services and the testing phase of the PrEP rollout. 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 2020/21, the Department received a grant of £2.3m for local authority test and trace support services. 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. There is no announcement about the continuation of this funding but there is discussion nationally about making the responsibilities that local PH have picked up becoming a permanent arrangement. The department has recruited several new teams including Health Protection, Infection Control and outbreak response as well as paying for additional testing and software to support the management of data. The £2.3m will cover the next financial year but further years without additional funding will need to be reviewed.
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 2021/22 revenue budget and provisional budgets for the next three years thereafter. The proposed 2021/22 revenue budget is shown in detail in Appendix A.

**Table 1 – Revenue Budget 2021/22 to 2024/25**

	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>2023/24 £000</b>	<b>2024/25 £000</b>
Original prior year budget	-1,337	-1,323	-1,388	-1,388
Budget transfers and adjustments	0	0	0	0
Add proposed growth (Appendix B)	20	0	0	0
Less proposed savings (Appendix B)	-5	-65	0	0
<b>Proposed/Provisional budget</b>	<b>-1,323</b>	<b>-1,388</b>	<b>-1,388</b>	<b>-1,388</b>

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 2021/22 is £29.3m with contributions from health, transfers and various other income sources totalling £5.4m. The ring-fenced grant allocation for 2021/22 is estimated to be £25.234m.
12. The proposed net budget for 2021/22 of - £1,323k is distributed as shown in Table 2 below:

**Table 2 - Net Budget 2021/22**

	<b>£000</b>	<b>%</b>
Public Health Leadership	1,914	8.0
Local Area Co-ordination	919	3.8
Quit Ready	544	2.3
First Contact Plus	272	1.1
Other Public Health Services	209	0.9
Programme Delivery	778	3.3
Public Health Advice	311	1.3
Domestic Violence	385	1.6
Weight Management Service	271	1.1
Children's Public Health 0-19	8,233	34.4
Sexual Health	4,076	17.0
NHS Health Check Programme	500	2.1
Substance Misuse	4,026	16.8
Physical Activity	1,111	4.6
Obesity Programmes	190	0.8
Health Protection	102	0.4
Tobacco Control	70	0.3
Leicester-Shire and Rutland Sport	0	
<b>Total</b>	<b>23,911</b>	<b>100.0</b>
Public Health Ring Fenced Grant	<b>-25,234</b>	
<b>Total Net Budgeted Spend</b>	<b>-1,323</b>	

### **Budget Changes and Adjustments**

13. Two budget transfers (totalling a net increase of £673k) are to be made during the 2020/21 financial year. These transfers are:
  - £8.4k for flu vaccinations transferred from the central inflation contingency;

- £681k prevention budgets transfer to Adults & Communities.

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.
18. Details of proposed growth are set out in Appendix B and provide for an additional £0.02m per annum by 2021/22. This is described in the following paragraphs.
19. \*G12 Integrated Sexual Health Service - increased testing expected as result of new Pre Exposure Prophylaxis (PrEP) treatment for HIV risk groups; £20,000 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**

20. Details of proposed savings are set out in Appendix B and total £5k in 2021/22 rising to £70k per annum by 2024/25. These are detailed in the following paragraphs.
21. \*\*PH1 Eff/SR Early Help and Prevention Review - review of externally commissioned prevention services £5k in 2021/22 rising to £70k 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.

### **Savings under Development**

22. The Department has been requested to identify £0.6m of additional savings over the next four years. The table below shows the areas being worked on currently to achieve savings by 2024/25:

	<b>Description of Saving</b>	<b>Approach</b>	<b>Date to be Achieved</b>
Schools Traded Offer  £150,000 contract value	There are several current services that are delivered to schools including young person's physical activity and various specialist training elements. The department is working with transformation colleagues to design a traded offer.  Savings proposed £100,000  With additional traded income yet to be defined.	Options appraisal undertaken with further work to scope a preferred option. Transformation colleagues are supporting this work with a further impact assessment being ready for 17 <sup>th</sup> December 2021.	2023/24
0-19 Healthy Child Programme	We are working with the Transformation Unit currently to identify possible savings and opportunities with this contract. Values are yet to be determined.	Work is underway to look at this contract and to see if there are opportunities to more closely align this to the work happening in CFS around the TOM as well as a review of the options for the next procurement of the contract in April 22.	2022/23
GP Health Checks	The Transformation Unit is supporting the Department to identify opportunities for further savings and efficiencies through the Productivity and Efficiency Programme for GP Health Checks.	The current contract value is £550,000 per annum and the Department is keen to explore the effectiveness of the current provision, exploring alternative ways of delivering the same/improved outcomes.	

## External Influences

### 23. 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.

### 24. Inflation

The department continues to be at risk of inflationary pressures. Although there has been an increase to the Public Health Grant in 2019 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.

### 25. 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 2021/22.

## Other Funding Sources

### 26. There are a number of 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.	25,234	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.	151	G
University Hospitals Leicester	The provision of Public Health support for specialist projects. This is agreed annually and is not yet in place for 2021/22.	100	A

Office of the Police and Crime Commissioner	This funding is a contribution to the (drugs) treatment contract.	112	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 15 December 2020 - Medium Term Financial Strategy 2021/22 to 2024/25  
<http://politics.leics.gov.uk/documents/b16058/Medium%20Term%20Financial%20Strategy%20202122%20-%20202425%20-%20Proposals%20for%20Consultation%20-%20Supplementary%20Report.pdf?T=9>

### **Circulation under Local Issues Alert Procedure**

None.

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### **List of Appendices**

Appendix A – Revenue Budget 2021/22  
 Appendix B – Growth & Savings 2021/22 – 2024/25

**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.