



HEALTH OVERVIEW AND SCRUTINY COMMITTEE

18th JANUARY 2023

MEDIUM TERM FINANCIAL STRATEGY 2023/24 – 2026/27

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 2023/24 to 2026/27 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 2022. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS proposed for 2023/24 to 2026/27 was considered by the Cabinet on 16th December 2022.

Background

3. The MTFS is set out in the report to Cabinet on 16th December 2022, 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 30th January 2023. The Cabinet will consider the results of the scrutiny process on the 10th February 2023 before recommending an MTFS, including a budget and capital programme for 2023/24, to the County Council on the 22nd February 2023.

Service Transformation

5. The 2022/23 settlement for Leicestershire was £26.231m, a 2.8% increase on the 2021/22 grant. The uplift to the grant also includes additional funding to

cover the costs of routine pre-exposure prophylaxis (PrEP) commissioning and the impact of the NHS pay settlements. 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. The remainder of the COMF funding will be spent during 2022/23.
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 2023/24 revenue budget and provisional budgets for the next three years thereafter. The proposed 2023/24 revenue budget is shown in detail in Appendix A.

Table 1 – Revenue Budget 2023/24 to 2026/27

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000
Original prior year budget	-1,446	-1,806	-2,606	-2,696
Budget transfers and adjustments	0	0	0	0
Add proposed growth (Appendix B)	0	0	0	0
Less proposed savings (Appendix B)	-360	-800	-90	0
Proposed/Provisional budget	-1,806	-2,606	-2,696	-2,696

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 latest triennial actuarial revaluation of the pension fund.
11. The total gross proposed budget for 2023/24 is £29.0m with contributions from health, transfers and various other income sources totalling £4.6m. The ring-fenced grant allocation for 2023/24 is estimated to be £26.2m.

12. The proposed net budget for 2023/24 of - £1,806k is distributed as shown in Table 2 below:

Table 2 - Net Budget 2023/24

	£000	%
Public Health Leadership	2,030	8.3
Local Area Co-ordination	1,098	4.5
Quit Ready	473	1.9
First Contact Plus	350	1.4
Other Public Health Services	143	0.6
Programme Delivery	794	3.3
Public Health Advice	311	1.3
Weight Management Service	338	1.4
NHS Health Check Programme	400	1.6
Mental Health	48	0.2
Children's Public Health 0-19	8,559	35.0
Domestic Violence	385	1.6
Sexual Health	4,042	16.6
Substance Misuse	4,029	16.5
Physical Activity	1,146	4.7
Obesity Programmes	190	0.8
Health Protection	19	0.1
Tobacco Control	70	0.3
Active Together (formerly Leicestershire and Rutland Sport)	0	
Total	24,425	100.0
Public Health Ring Fenced Grant	-26,231	
Total Net Budgeted Spend	-1,806	

Budget Changes and Adjustments

13. 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
14. This star rating is included in the descriptions set out for growth and savings below.
15. 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

16. 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 2023 are zero.

SAVINGS

17. Details of proposed savings are set out in Appendix B and total £0.36m in 2023/24 rising to £1.25m per annum by 2026/27. These are detailed in the following paragraphs.

18. *PH1: Eff/SR Redesign of integrated lifestyle service pathways; £100,000 in 2024/25

Opportunities for the redesigning of integrated lifestyle service pathways are 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.

19. *PH2: Eff/SR Review of Commissioned services; £90,000 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.

20. PH3: Eff Health Checks; £100,000 in 2023/24

New service commissioned from April 2023 with a revised pricing structure and reduced budget allocation

21. PH4: SR ICB Prescribing; £100,000 in 2023/24

Cross-charging of prescribing charges for the Stop Smoking Service will cease from April 2023. The service will no longer be working with prescribed drugs to aid people to stop smoking. They will be concentrating on pharmacotherapy products that the service can prescribe only.

22. PH 5: SR Internal Infrastructure; £100,000 in 2024/25

A review is underway to reduce funding given to Active Together by £100k which in turn will see a reduction in physical activity work across the county.

23. PH6: Eff CBS Data Extract; £30,000 in 2023/24

A new system of data collection has been commissioned from LHMIS which has resulted in a reduced budget requirement.

24. PH7: Eff Health Improvement; £130,000 in 2023/24

Budgets allocated to Health Improvement activity across the spectrum of Public Health have been reduced in line with departmental savings targets. Activity is being re-profiled to accommodate the reduction in allocations.

25. PH8: SR Homelessness Contract; £300,000 in 2024/25

There is planned to be a reduction in contract value when the service is re-commissioned with a more focused approach on early intervention and support through existing networks.

26. PH9: SR Whole School Approach to Food; £150,000 in 2024/25

The service will be decommissioned in its current form and the work will be dispersed to other internal teams to deliver alongside existing programmes. The remainder of the budget will be refocused on the elements of the existing contract that have the biggest impact.

27. PH10: SR Sport and Physical Activity Commissioning; £150,000 in 2024/25

100% saving being proposed with the decommissioning of the existing contract.

Savings under Development

28. 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.

29. 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

30. 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.

31. Inflation

The department continues to be at risk of inflationary pressures. Although there has been an increase to the Public Health Grant in 2022, there is an ongoing requirement for the Department to meet increased provider costs.

32. 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 2023/24 but there is a risk that it may be reduced.

Other Funding Sources

33. 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 2022/23 (awaiting announcement for 2023/24 allocation).	26,231	G
Sport England Grant	Active Together receive funding to deliver a number of programmes. Funding varies each year, according to the programmes supported.	654	G
Better Care Fund	Funding allocation for First Contact Plus.	175	G
Rutland County Council	The provision of Public Health support to the authority and a section 113 agreement for Mike Sandys as the DPH.	328	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 16th December 2022 - Medium Term Financial Strategy 2023/24 to 2026/27
(Public Pack) [Item 4 - MTFS supplementary report Agenda Supplement for Cabinet, 16/12/2022 11:00 \(leics.gov.uk\)](#)

Circulation under Local Issues Alert Procedure

None.

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List of Appendices

Appendix A – Revenue Budget 2023/24
Appendix B – Growth & Savings 2023/24 – 2026/27

Equality and Human Rights implications

34. 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.
35. 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.

36. 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.