



HEALTH OVERVIEW AND SCRUTINY COMMITTEE

17th JANUARY 2024

MEDIUM TERM FINANCIAL STRATEGY 2024/25 – 2027/28

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 2024/25 to 2027/28 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 2023. This has been the subject of a comprehensive review and revision in light of the current economic circumstances. The draft MTFS proposed for 2024/25 to 2027/28 was considered by the Cabinet on 19th December 2023.

Background

3. The MTFS is set out in the report to Cabinet on 19th December 2023, 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 29th January 2024. The Cabinet will consider the results of the scrutiny process on the 9th February 2024 before recommending an MTFS, including a budget and capital programme for 2024/25, to the County Council on the 21st February 2024.

Service Transformation

5. Funding for Public Health activities comes from the specific Public Health grant, The indicative 2024/25 PH settlement for Leicestershire is £27.444m, a 1.3%

increase on the 2023/24 grant. The uplift to the grant includes additional funding to support local authorities to implement their duties under the Botulinum Toxin and Cosmetic Fillers (Children) Act 2021 and the impact of the NHS pay settlements. The grant also includes funding to cover the costs of routine pre-exposure prophylaxis (PrEP) commissioning.

6. The Department and the services it commissions and delivers continue to be structured in line with statutory duties and the Public Health Strategy. 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 2024/25 revenue budget and provisional budgets for the next three years thereafter. The proposed 2024/25 revenue budget is shown in detail in Appendix A.

Table 1 – Revenue Budget 2024/25 to 2027/28

	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Original prior year budget	-1,806	-2,606	-2,696	-2,696
Budget transfers and adjustments	0	0	0	0
Add proposed growth (Appendix B)	0	0	0	0
Less proposed savings (Appendix B)	-800	-90	0	0
Proposed/Provisional budget	-2,606	-2,696	-2,696	-2,696

8. Detailed service budgets have been compiled on the basis of no pay or price inflation.
9. The total gross proposed budget for 2024/25 is £30.4m with contributions from health, transfers and various other income sources totalling £5.5m. The indicative ring-fenced grant allocation for 2024/25 is proposed to be £27.4m.
10. The proposed net budget for 2024/25 of - £2.606m is distributed as shown in Table 2 below:

Table 2 - Net Budget 2024/25

	£000	%
Public Health Leadership	2,715	10.93
Local Area Co-ordination	1,003	4.04
Quit Ready	479	1.93
First Contact Plus	102	0.41
Other Public Health Services	179	0.72
Programme Delivery	788	3.17
Public Health Advice	11	0.04

Weight Management Service	306	1.23
Mental Health	28	0.11
Children's Public Health 0-19	8,759	35.27
Domestic Violence	379	1.53
Sexual Health	4,247	17.10
NHS Health Check Programme	450	1.81
Substance Misuse	4,029	16.22
Physical Activity	896	3.61
Obesity Programmes	10	0.04
Health Protection	388	1.56
Tobacco Control	70	0.28
Active Together (formerly Leicestershire and Rutland Sport)	0	
Total	24,838	100.0
Public Health Ring Fenced Grant	-27,444	
Total Net Budgeted Spend	-2,606	

Budget Changes and Adjustments

11. 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
12. This star rating is included in the descriptions set out for growth and savings below.
13. 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

14. There is a specific spend pressure arising from the extension of the Integrated Sexual Health Service following the failed procurement process during 2023. However, given the tight financial position of the Council's financial position overall, it was not possible to provide growth for this and instead this will need to be contained within the Public Health grant. The department has reduced funding in demand led services with the aim of balancing those areas during the year.

SAVINGS

15. Details of proposed savings are set out in Appendix B and total £0.80m in 2024/25 rising to £0.89m per annum by 2025/26. These are detailed in the following paragraphs.

16. *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.

17. *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. A saving of £35,000 was delivered in 2022/23 and work is underway to identify the remainder of the saving for this line.

18. *PH3: SR Internal infrastructure (physical activity); £100,000 in 2024/25

This savings line has been combined with PH10 and a consultation has been undertaken on the full amount of the two savings combined. The saving will be made for both in 2024/25.

19. *PH4: Eff/SR Review approach to homelessness support; £300,000 in 2024/25

A revised delivery model has been approved by Cabinet following the outcome of the public consultation. The department will cease to fund a dedicated homelessness support service and will, instead, provide support via the Council's existing public health services.

20. *PH5: SR Review schools sustainable food award and gold food accreditation; £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.

21. *PH6: SR Review sport & physical activity programmes; £150,000 in 2024/25

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

22. Considering the scale of the challenge faced by the Council to balance the MTFS, existing financial control measures are being reinforced and new ones being applied to ensure a tight focus on eliminating non-essential spend.

Savings under Development

23. 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. This includes working with Pharmacies to look at opportunities to work collaboratively to dispense Pharmacotherapy products.

24. Commercialisation of elements of the school offer

This work stream has now been focusing on the workplace health offer and has already generated income of £18,500. The programme is still in its infancy but is growing exponentially with increased targets for 2024/25.

External Influences

25. 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 if activity is higher than predicted. Health Checks are also demand driven and there has been an increase in activity in 2023/24 above the level anticipated which has led to an increase in the budget allocation for 2024/25.

26. Inflation

The department continues to be at risk of inflationary pressures. Although there has been an increase to the Public Health Grant in 2023/24, there is an ongoing requirement for the Department to meet increased provider costs as well as internal staff pay awards which are not funded by the central contingency.

27. Public Health Grant

The future mechanism for Public Health funding is uncertain and there is increased scrutiny from the Office for Health Improvement and Disparities (OHID) in relation to grant spend. If the grant is cut by national government, growth will be needed to maintain existing service levels. There would also be a risk to being able to deliver the MTFS savings as planned. We are working nationally to lobby for a fairer funding process for PH as well as designing the

mitigation review process to ensure spend is allocated to appropriate services within the authority.

Other Funding Sources

28. 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 2024/25 (indicative allocation).	27,444	G
Sport England Grant	Active Together receive funding to deliver a number of programmes. Funding varies each year, according to the programmes supported.	689	G
Better Care Fund	Funding allocation for First Contact Plus.	188	G
Rutland County Council	The provision of Public Health support to the authority and a section 113 agreement for Mike Sandys as the DPH.	318	G
Office of the Police and Crime Commissioner	This funding is a contribution to the (drugs) treatment contract.	145	G
Integrated Care Board	To meet the costs of contraceptive devices which are fitted to treat an existing medical condition.	100	G

Background Papers

Cabinet 19th December 2023 - Medium Term Financial Strategy 2024/25 to 2027/28
<https://politics.leics.gov.uk/documents/g7081/Public%20reports%20pack%20Tuesday%2019-Dec-2023%2014.00%20Cabinet.pdf?T=10>

Circulation under Local Issues Alert Procedure

None.

Officers to Contact

Mike Sandys, Director of Public Health
Tel: 0116 305 4239
E-mail: mike.sandys@leics.gov.uk

Declan Keegan, Director of Corporate Resources, Corporate Resources Department
Tel: 0116 305 7668
E-mail: declan.keegan@leics.gov.uk

List of Appendices

Appendix A – Revenue Budget 2024/25
Appendix B – Growth & Savings 2024/25 – 2027/28

Equality implications

29. 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.
30. 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.
31. 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.

Human Rights Implications

32. There are no human rights implications arising from the recommendations in this report.