

Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 9 November 2022

Subject: Budget 2023-26

Report of: Director Public Health and Interim Deputy Place Based Lead
(Manchester)

Summary

The Council is forecasting an estimated budget shortfall of £44m in 2023/24, £85m in 2024/25, and £112m by 2025/26. After the use of c£16m smoothing reserves in each of the three years, this reduces to £28m in 2023/24, £69m in 2024/25 and £96m by 2025/26. Officers have identified potential savings options to reduce the budget gap totalling £42.3m over three years.

This report sets out the priorities for the services in the remit of this committee and details the initial revenue budget changes proposed by officers.

Even after these proposals there remains a budget gap of £7m to close to get to a balanced budget in 2023/24 and further savings and cuts options will be required to be worked between now and January and be reported back to Scrutiny committees in February. Each scrutiny committee is invited to consider the current proposed changes which are within its remit and to make recommendations to the Executive before it agrees to the final budget proposals in February 2023.

Recommendations

The Committee is recommended to:-

- (1) To consider and comment on the forecast medium term revenue budget
 - (2) Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee
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Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

The budget reflects the fact that the Council has declared a climate emergency by making carbon reduction a key consideration in the Council's planning and budget proposals.

Equality, Diversity and Inclusion - the impact of the issues addressed in this report in meeting our Public Sector Equality Duty and broader equality commitments

Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment.

Manchester Strategy outcomes	Summary of how this report aligns to the OMS/Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The effective use of resources underpins the Council's activities in support of its strategic priorities as set out in the Corporate Plan which is underpinned by the Our Manchester Strategy.
A highly skilled city: world class and home grown talent sustaining the city's economic success	
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	
A liveable and low carbon city: a destination of choice to live, visit, work	
A connected city: world class infrastructure and connectivity to drive growth	

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The changes included within this report are officer proposals and, subject to Member comments and consultation, these will be included as part of the 2022/23 budget preparation.

Financial Consequences – Capital

None directly arising from this report.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

[Revenue Budget Report - Executive Meeting 16 February 2022](#)

[Medium Term Financial Strategy 2022/23 to 2024/25 -Executive Meeting 16 February 2022](#)

[Health and Social Care – Adults Social Care and Population Health Budget 2022/23 - Executive 16 February 2022](#)

[Resource and Governance Scrutiny – 6 September 2022](#)

[Revenue Monitoring to the end of July 2022 and Budget update 2023/24 to 2025/26 - Executive 14 September 2022](#)

1. Introduction and Purpose

- 1.1. The report is the first in the cycle for the budget programme 2023-26. It sets out an overview of the services within the remit of this scrutiny committee and the key priorities. The budget growth assumptions in the MTFP are set out. The report provides a draft set of officer proposals for further savings for 2023-26, developed in the context of the financial challenge facing the Council, for comments by Health Scrutiny.

2. Service Overview and Priorities

- 2.1. The Manchester Public Health Team is responsible for commissioning Children's Public Health (including Health Visiting and School Nursing Services), Wellbeing (addressing wider determinants such as housing and work alongside support to reduce smoking, reduce levels of obesity and increase physical activity), Sexual Health (treatment and prevention), and Drug and Alcohol (treatment and prevention) Services for the city. In addition, the Population Health Team leads the delivery of the city's Age Friendly Manchester programme. The team is also responsible for leading and contributing to strategic partnership work to reduce inequalities in the city and leading the city's Health Protection (infection control, immunisation programmes) and Health Intelligence (Joint Strategic Needs Assessment) functions.
- 2.2. Following the publication of 'Build Back Fairer in Greater Manchester: Health Equity and Dignified Lives' (University College London Institute of Health Equity) the Public Health team led the development of Manchester's own action plan - Making Manchester Fairer (MMF) - that describes the actions that the city will take to reduce health inequalities in the aftermath of the pandemic, with a focus on the social determinants of health: the conditions in which people are born, grow, live, work and age.
- 2.3. MMF is made up of eight themes:
- Early Years, Children and Young People
 - Poverty, Income and Debt
 - Work and Employment
 - Prevention of Ill- Health and Preventable Deaths
 - Homes and Housing
 - Places, Transport and Climate Change
 - Systemic and Structural Racism and Discrimination
 - Communities and Power
- 2.4. Investment of £2m has been identified from Council Public Health reserves. The expectation is schemes will deliver savings to the health and social care system and wider including Education, Work and Skills and Homelessness.
- 2.5. MMF is an ambitious plan that will evolve and take time to embed and develop. Four Kickstarter schemes are in development/implementation to give the plan momentum. These schemes will kickstart delivery of the plan by

exemplifying our principles in terms of health equity, proportionate universalism, and involving and engaging Manchester's diverse local communities. The focus will be on some of the longer-term challenges to help us start narrowing the gap, particularly the need to tackle poverty and the additional barriers of racism and discrimination for some communities. The first priority below is considered to be the priority investment with a specific invest to save approach in development.

2.6. The Kickstarters will focus on:

- Early help and support for adults experiencing multiple and complex disadvantages, and barriers to their health and wellbeing. These adults often have a combination of substance-misuse problems, mental ill health and homelessness but often don't meet the threshold for statutory services and fall through the gaps in the system.
- Integrating employment, health and wellbeing services for people who are out of work or at risk of being out of work due to physical or mental ill-health. This will focus on strengthening the support NHS patients can get around employment, skills and training in a person-centred and place-based way.
- Children, young people and their families particularly those most impacted by the cost-of-living crisis and those from communities that experience racial inequality. This will include a focus on the mental health and wellbeing of young people and, and work to address health, income and education inequalities among the target groups.
- Supporting residents to become active in their neighbourhoods and communities; this means exercise that works for people that they can enjoy and build into their day to day lives. A campaign built on grass-roots activities will celebrate the diversity of Manchester and the broad range of activities that can help people stay fit and active.

2.7. In relation to the priority scheme for investment from the £2m MMF Fund, the funding model has been revised to maximise the impact in terms of health outcomes and improving health equity as well financial benefits. Council funding is expected to deliver savings to the Council and other partners within the next three to five years, within the context of budget pressures and the cost-of-living crisis. A Cost Benefit Analysis is in the process of being developed to demonstrate the invest to save case for the Early Help for Adults proposal. Delivery of this proposal will be effectively integrated with Adult Social Care early help and front door reforms, Homelessness prevention, and Children's services reform, so it will be important to avoid double counting of benefits.

2.8. Subsequently, the NHS focussed scheme will be delivered through arrangements under the new integrated health and care system, and deputy place-based lead. The physical activity scheme will be developed and delivered in partnership with Manchester Active with funding to be confirmed

in 2023/24. Work is progressing to complete business case and financial modelling of the potential preventative impact.

- 2.9. The committee received the Making Manchester Fairer Action Plan Report in October 2022.
- 2.10. The priority for 2022/23 has been to provide continued support for commissioned services in their recovery from the impact of the pandemic on their service delivery and their clients. The key metrics for commissioned services include:

Metric	Q1 2022/23	Q1 2021/22
% of smokers who successfully quit at 4 weeks of interventions (NICE target 35%)	59.80%	82.10%
% of health visitor visits to new births (within 2 weeks) (England average 88%)	85.00%	89.00%
% of dependent alcohol users who successfully complete treatment (Comparable local authorities average 40%)	31.90%	36.00%
% of adults attending 10-12 weeks of Tier 2 weight management interventions	48.20%	85.10%
% of NHS Health Checks received by the total eligible population	17.00%	16.00%

- 2.11. The percentage of new births visited by a health visitor within 2 weeks in Q1 2022/23 (85.0%) was slightly lower than that seen in Q1 2021/22 (89.0%). The performance of weight management services as measured by the percentage of adults attending 10-12 weeks of Tier 2 weight management interventions has fallen from 85.1% in Q1 2021/22 to 48.2% in Q1 2022/23*. The percentage of dependent alcohol users in treatment who successfully completed treatment in Q4 2021/22 (31.9%) was slightly lower than that seen in the equivalent period in 2020/21 (36.0%). In Q1 2022/23, 17% of the total eligible population in Manchester received an NHS Health Check. This compares with to 16.0% of the eligible population in the equivalent period of 2021/22 suggesting that delivery has increased since the drop due to COVID pressures. Manchester is ranked 6th out of the 23 LAs in the NW region in terms of the delivery of NHS Health Checks and 30th out of the 152 LAs in England**.

“The higher-than-average performance achieved by the Weight Management Service in Q1 2021/22 was linked to the receipt of a substantial grant from Office of Health Improvement and Disparities (OHID). By Q1 2022/23, this grant was being withdrawn.

**NHS Health Check delivery is low nationally and is slowly recovering post COVID. Manchester is performing considerably better than average when compared to national and NW LAs. Delivery is expected to increase through 2022/2023.

2.12. The health of the people in Manchester has generally been worse than the England average across a range of outcome measures with a worsening of health outcomes in Manchester starting to become apparent in the years prior to the start of the Coronavirus (COVID-19) pandemic in 2020. The pandemic has had the effect of accelerating and strengthening that pre-existing trend. Recently published data on life expectancy at birth over time in Manchester compared with England shows that life expectancy has fallen, i.e. got worse for both males and females in Manchester in the 3-year period 2019-21 compared with the previous period of 2018-20.

2.13. In addition, we have developed a Population Health Recovery Framework based on the following three pillars:

- Healthy People (recognises the impact of social disadvantage and socio-economic circumstances on health outcomes)
- Healthy Places (recognises the geographical inequalities within Manchester and between Manchester and other parts of the region and country)
- Health Equity (recognises the groups of people and communities that face additional multiple and compounding barriers, prejudice or discrimination owing to factors such as race, sexual orientation, disability, and migrant status)

Each pillar has a “flagship” programme of activity to address the root causes and wider determinants of health inequalities alongside the broader partnership working to create the conditions for healthy lives.

2.14. The three “flagship” programmes are:

- Healthy People - Manchester’s Wellbeing Model to improve the wellbeing of Manchester’s residents based on the level of support people need to look after their own health and wellbeing
- Healthy Places - Winning Hearts and Minds to work in, and with, communities to improve heart and mental health across the city, with a particular focus on North Manchester
- Health Equity- COVID-19 Health Equity Manchester to address the disproportionate adverse impact of COVID-19 on specific communities in Manchester and ensure the legacy of COVID-19 is that lessons learned are implemented and improve the broader health outcomes of these communities

2.15 The flagship programmes are integral to the Making Manchester Fairer Action Plan.

3. Service Budget and Proposed Changes

3.1. The service has a gross 2022/23 budget of £45.865m and a net budget of £42.562m. Income of £3.303m includes Better Care Fund £0.960m, contributions from health £1.290m and other income of £1.054m which includes grants.

- 3.2. Public Health is funded nationally through a specific ringfenced grant. However Greater Manchester locality has been part of a government pilot for a number of years whereby the funding ringfence is removed and an equivalent allocation received as an adjustment to business rates.
- 3.3. The position in 2022/23 regarding the public health contracts with local authorities and the associated pay costs with the NHS pay rises is that the 2022/23 Public Health Grant included an uplift to pay agreed cost increases to contracted NHS providers

Table 1: Base budget 2022/23

Service Area	2022/23 Gross budget £'000	2022/23 Net Budget £'000	2022/23 Budgeted posts (FTE) £'000
Public Health Core	2,840	1,911	57.30
Public Health - Children's Services	4,222	4,222	
Early years - Health Visitors	10,676	10,676	
Drugs and Alcohol	9,384	8,989	
Sexual Health	9,211	8,292	
Wellbeing (includes ZEST)	5,487	4,658	
Other	4,045	3,813	12.00
Total	45,865	42,562	69.30

- 3.4. The proposed additional savings and new programme for 2023-26 are detailed in **Appendix 1**. In the context of austerity and the national public health challenges post pandemic, the approach to the development of savings has been extremely difficult. The work has been informed by:
- (i) The challenging position across a range of Public Health outcome measures with a worsening of health outcomes in Manchester since the pandemic;
 - (ii) Reducing pressures on the wider health and social care system by ensuring that upstream cost effective prevention programmes are maintained;
 - (iii) The need to protect the Drug and Alcohol service budget linked to new national investment conditions relating to the new national 10-year Drug Strategy, From Harm to Hope; and
 - (iv) The scale of previous Public Health savings programmes.
- 3.5. The proposals detailed have been identified as deliverable without impacting on delivery of public health commissioned services in the city. The proposed savings programme (£1.000m) is detailed in **Appendix 1** and summarised in the table below

Table 2: Proposed Savings Programme

	2023/24 £'000	2024/25 £'000	2025/26 £000	Total £'000
Directorate	630			630
Children's	270			270
Total	1,000			1,000

3.6. The proposed savings programme is grouped into key themes as follows:

- (i) Directorate (£0.630m) – includes disestablishment of vacancies and available headroom from funding set aside for contract uplifts; and
- (ii) Children's (£0.270m) - it is the commissioning intention to review and revise the service model and specification. This will be co-designed with stakeholders including the Local Care Organisation and the Strategic Director of Children and Education Services.

3.7. The emerging pressures are detailed in **Appendix 2**. There are no budget pressures currently reflected in the MTFP. As per the Spending Review, it was announced the public health grant will remain the same in real terms which will significantly undermine the ability of local systems to reduce health inequalities without further investment in prevention by the NHS. However current levels of inflation will significantly erode spending power unless a further increase in grant is confirmed.

3.8. If the proposed changes are approved the three-year budget position is shown in **Appendix 3** (excluding the additional savings which are subject to Scrutiny and consultation arrangements). **Appendix 4** also provides a subjective analysis of expenditure and income.

4. Workforce Implications

4.1 The savings proposals outlined at **Appendix 1** will have a limited internal workforce impact due to the roles being disestablished being vacant and planned. This is part of the wider review of roles and responsibilities as resource is shifting back to business as usual after the heightened focus on COVID-19 for the last three years.

4.2. Vacancy Factor

The Council's establishment is fully budgeted for at the top of the grade. In reality there are vacancies caused by staff turnover, recruitment difficulties and staff employed throughout the grade scale. In order to avoid budgeting for costs that will not be required and making bigger cuts elsewhere, adjustments are being made to reflect these issues by applying a vacancy factor to recognise that vacancies will always exist. The continued challenges in filling posts also means that the council is working hard on ensuring we are an employer of choice and can attract people and minimise the pressures on our existing workforce.

5. Equality and Anti Poverty Impact

- 5.1. Consideration has been given to how the proposed savings could impact on different protected or disadvantaged groups. Where applicable proposals will be subject to completion of an Equality Impact Assessment (EqIA) and an Anti Poverty Assessment as part of the detailed planning and implementation. At this stage no direct impacts on people and specifically MCC priority protected characteristics have been identified.

6. Future opportunities and Risks

MMF Action Plan

- 6.1. The MMF Action Plan (above) focuses on the social determinants of health and requires all agencies to contribute to improving the conditions in which Manchester's residents are born, grow, live, work and age. The implications and impact of the cost-of-living crisis, in 2022 initially, will affect the lives of many residents in the city and may reduce the scale of the outcomes intended to be achieved through the MMF Action Plan in the short-term.

Drug and Alcohol Programmes

- 6.2. The new national 10-year Drug Strategy, From Harm to Hope, plans to cut crime and save lives and is underpinned by a clear recognition that illegal drugs cause damage to our society, affecting both individuals and neighbourhoods. The collective ambition of the strategy is to achieve a generational shift in the country's relationship with drugs and to reduce overall drug use through three overarching priorities:
- Break supply chains
 - Deliver a world class treatment and recovery service
 - Achieve a shift in the demand for recreational drugs
- 6.3. From Harm to Hope recognises the need for alignment between national expectations and local delivery. A local outcomes framework will be introduced to sit alongside the national outcome framework detailed in the strategy and will cover all three of the strategic priorities. The £780m national funding also includes the extension of the time limited Office of Health Improvement and Disparities (OHID) Section 31 Grant for reducing crime, reducing harm, and reducing drug related deaths.
- 6.4. In April 2022, OHID announced the Supplementary Substance Misuse Treatment and Recovery Grant (SSMTRG) funding scheme, to support local delivery of the strategy. Local authorities' use of the SSMTRG should directly address the aims of the treatment and recovery section of the drug strategy. The outcomes are ambitious, and on a national basis, the additional funding aims to deliver:

- 54,500 new high-quality treatment places including:
- 24,000 more people in long-term recovery from substance dependency
- 800 more medical, mental health and other professionals
- 950 additional drug and alcohol and criminal justice workers
- Adequate commissioning and co-ordinator capacity in every local authority

6.5. Local delivery of these ambitions aims to drive an improvement in the quality of the service for Manchester residents, ensure more people can access our community treatment services, and support a reduction in the number of caseloads of our practitioners and clinicians delivering substance misuse services. Manchester has been identified as an ‘enhanced area’, benefitting from greater investment in year 1 with 51 new full time posts to be added to the workforce. The table below outlines the funding allocation for Manchester:

	2022/23 Confirmed	2023/24 Indicative	2024/25 Indicative
SSMTRG	£1,461,249	£2,394,242	£4,621,419
Inpatient Detoxification Grant	£138,535	£138,535	£138,535

6.6 Eligibility for SSMTRG funding is dependent on maintaining existing investment in drug and alcohol treatment. As noted above, an element of the funding in year 1 supports a continuation of some of the key activities funded in the Section 31 grant funding, to reduce crime and the rise in drug-related deaths.

Wellbeing Services

6.7 We intend to re-visit work on the Citywide Wellbeing and Prevention Model (paused due the COVID-19) to review and revise, in collaboration with commissioned community services, the delivery of community prevention services to achieve better alignment and avoid duplication in service delivery across the city. As a first stage of this work the buzz Community Development Team is transferring from Greater Manchester Mental Health NHS Trust (GMMH) into MCC Neighbourhoods Directorate on 1.1.23.

Children’s Public Health Services

6.8 The current contract for the School Health Service (5-19 years programme) expires in April 2023. We intend to extend for twelve months under current arrangement. In the period Nov 22-April 24 we intend to co-design a new service specification that consolidates the current separate contracts (Healthy Schools, School Nurse, Healthy Weight, Accident Prevention, School Immunisations) into a single 5-19 Healthy Child Programme (HCP) School Health Service. The new service specification will have new KPIs, a service model that reflects available resource and post pandemic priorities and will be co-designed with stakeholders including the Local Care Organisation and the Strategic Director of Children and Education Services.