

Manchester City Council Report for Information

Report to: Health Scrutiny Committee – 8 February 2023

Subject: Public Health Budget 2023-26

Report of: Director Public Health

Summary

Members will recall that at the November round of scrutiny meetings the Council was forecasting an estimated budget shortfall of £112m over the three years with £44m in 2023/24. As part of the action to address the budget shortfall officers identified potential savings options of £42.3m over three years, of which there were savings options of £1m within the remit of this scrutiny committee.

The provisional financial settlement announced 19 December reflected a change in government policy in relation to funding inflation and Social care pressures. This has given the opportunity to review the quantum and phasing of savings. It is now proposed that options of £36.2m are progressed, of which £0.730m is within the remit of this scrutiny committee.

This report provides a further update to members on the priorities for the services in the remit of this committee and details the changes to the initial revenue budget options proposed by officers in November 2022.

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 on 15 February 2023.

Recommendations

The Health Scrutiny Committee is recommended to:-

1. To consider and comment on the forecast medium term revenue budget; and
2. Consider the content of this report and comment on the proposed changes which are relevant to the remit of this scrutiny committee.

The Executive is recommended to approve these budget proposals.

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 will, subject to Member comments and consultation, be included in the final 2023/24 revenue budget set by Council on 3 March.

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 sets out the final proposals for the Public Health 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 Medium Term Financial Plan (MTFP) are set out. The report provides an updated set of proposals for further savings for 2023-26, developed in the context of the financial challenge facing the Council, for final 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 Public 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 £3m has been identified from Council Public Health reserves (£1m is contained within the Childrens Services budget report). The expectation is schemes will deliver savings to the health and social care system and wider including Education, Work and Skills and Homelessness. The use of reserves is within the overall Reserves Strategy, as part of the MTFP, with the recommended drawdown in line with reserves policy.

- 2.5. Two kickstarter schemes have been prioritised for investment for phase 1 of the Making Manchester Fairer Investment Fund. The schemes are challenged with delivering the MMF plan’s principles, improving health equity and also demonstrating an ‘invest to save’ approach. The schemes prioritised for investment are (i) Improving Health Equity for Children and Young People, and (ii) Early Help for Adults Experiencing Multiple and Complex Disadvantage. The Making Manchester Fairer Investment Sub-Group has continued to meet during this period to consider and support the development of these business cases.
- 2.6. The first scheme, Improving Health Equity for Children and Young People will focus on children, young people and their families who are most affected by health inequalities including those most affected by the cost of living crisis, communities that experience inequalities and young people who are at increased risk of mental ill-health as a result of their lived experiences and/or identity. The scheme is expected to address the widening gap in school readiness for children in early years, through a holistic approach working with schools and families. It will also engage with young people, communities, and wider partners to identify issues in mental wellbeing support and the opportunities for prevention of mental ill-health in order to reduce inequalities.
- 2.7. The second scheme, Early Help for Adults Experiencing Multiple and Complex Disadvantage, is being delivered in the context of Bringing Services Together for People in Places, and the delivery of multi-agency case management. The target group is adults experiencing multiple barriers to health and wellbeing including homelessness, mental ill health, substance misuse, unemployment. A significant number of this cohort will also have experienced adverse childhood experiences compounding these factors, by growing up in challenging social conditions. The scheme will build on learning from the Changing Futures Pilot and will develop the service design and delivery to expand the programme to ensure that the kickstarter works with cohorts and groups that were missed in the first pilot. In the short-term individuals should see successful engagement with other support services, and improvement in individuals’ physical and mental wellbeing. The long-term goal is for individuals to thrive independently within their own communities.
- 2.8. 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	Q2 2022/23	Q2 2021/22
% of smokers who successfully quit at 4 weeks of interventions (NICE target 35%)	62.20%	45.50%
% of health visitor visits to new births (within 2 weeks) (England average 88%)	88.00%	87.00%
% of dependent alcohol users who successfully complete treatment (Comparable local authorities average 40%)	33.90%	31.50%
% of adults attending 10-12 weeks of Tier 2 weight management interventions	69.00%	71.40%

% of NHS Health Checks received by the total eligible population	42.00%	27.00%
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2.9. In Q2 2022/23, 62.2% of smokers in contact with services had successfully quit 4 weeks after the intervention which is higher than the figure for the equivalent period in 2021/22 (45.5%) and the NICE recommended level of 35%. The percentage of new births visited by a health visitor within 2 weeks in Q2 2022/23 (88.0%) was slightly higher than that seen in Q2 2021/22 (87.0%). 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 slightly from 71.4% in Q2 2021/22 to 69.0% in Q2 2022/23*. The percentage of dependent alcohol users in treatment who successfully completed treatment in Q2 2022/23 (33.9%) was higher than that seen in the equivalent period in 2021/22 (31.5%). In Q2 2022/23, 42% of the total eligible population in Manchester received an NHS Health Check. This compares with 27.0% 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 the 3rd highest ranked authority in the Northwest region (out of 23 LAs) for delivering NHS Health Checks and the 9th highest ranked nationally (out of 152 authorities) **.

*The higher-than-average performance achieved by the Weight Management Service in 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 withdrawn.

**NHS Health Check delivery is low nationally and has been slowly recovering post COVID. The NW region is the best performing region in England for delivering NHS Health Checks.

2.10. 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.

2.11. 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.

2.12. 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

2.13. 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 £45.989m and a net budget of £42.685m. Income of £3.304m 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	2022/23 Net Budget	2022/23 Budgeted posts (FTE)
	£'000	£'000	£'000
Public Health Core	4,229	3,300	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	9,214	8,295	
Wellbeing (includes ZEST)	7,819	6,758	
Other	445	445	12.00
Total	45,989	42,685	69.30

- 3.4. In November 2022, this Scrutiny Committee was presented with £1m of cuts and saving options relating to services within the remit of this committee, for consideration. The provisional settlement on 19 December reflected a significant change in government policy and provided more funding than initially expected. This has given the opportunity to review the quantum and phasing of savings. It is now proposed options of £0.730m are progressed which are detailed in **Appendix 1**.
- 3.5. 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.
- 3.6. The proposals detailed have been identified as deliverable without impacting on delivery of public health commissioned services in the city. The proposed savings programme (£0.730m) 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
November Scrutiny	1,000	0	0	1,000
Savings withdrawn	-270	0	0	-270
Revised Target	730	0	0	730
Comprising:				
Disestablish Public Health Vacancies	90			90
Use of 2022/23 underspend	330	(330)		0
MCR Active	30			30
Headroom in budget set aside for contract uplifts	280	330		610
Total	730	0	0	730

3.7. The following savings have been withdrawn:

(i) Children's (£0.270m) – the savings proposed is withdrawn.

3.8. 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. The Public Health financial settlement has not yet been announced.

3.9. If the proposed changes are approved, the three-year budget position is shown in **Appendix 3**. **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. Challenges in the specialist substance misuse workforce have seen delays to recruitment in Year 1 (2022/23) of the SSMTRG. This is a local position reflected nationally. The Office of Health Improvement and Disparities (OHID) have established a regional working group to support recruitment and retention in the sector. Challenges also prevail in expanding the estate of the substance misuse provider to respond to the increased workforce within the allocated timelines, as grant underspends cannot be carried forward year on year.

6.7. Manchester has been awarded a Section 31 Grant for delivery of ‘Individual Placement Support’ (IPS) to provide employment support within alcohol and drug treatment services. The funding is from the Department of Work & Pensions (DWP) and OHID and will support Manchester citizens engaged in treatment services to secure employment.

The table below outlines the funding allocation for Manchester:

	2022/23 Confirmed	2023/24 Confirmed	2024/25 Confirmed
Individual Placement Support	£84,606	£162,073	£167,077

6.8. Additional funding has also been made available over the next three years (Year 1 2022/23) to fund a menu of housing support options to improve the recovery outcomes for people in treatment (or in contact with the treatment system) with a range of housing support needs. The grant will be funded by the Department of Levelling up, Housing & Communities and OHID. Manchester is awaiting official confirmation of our allocation.

Wellbeing Services

6.9. 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 transferred from Greater Manchester Mental Health NHS Trust (GMMH) into MCC Neighbourhoods Directorate on 1.1.23.

Children's Public Health Services

- 6.10. 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.