

**Health Scrutiny Panel - 19 November 2020
Draft Budget and Medium Term Financial Strategy
2021-2022 to 2023-2024
Minute Extract**

The Finance Business Partner introduced the report on the draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024. Appended to the report to the Scrutiny Panel was the Draft Budget and Medium Term Financial Strategy 2021-2022 to 2023-2024, this had been received by Cabinet in the previous week. They were seeking feedback on how the budget relevant to the remit of the Panel aligned with the priorities of the Council. The report recommended that the response from the Panel to Scrutiny Board be finalised by the Chair and Vice Chair of the Health Scrutiny Panel. Scrutiny Board would then submit a final response to Cabinet.

The Finance Business Partner stated that there was a legal requirement for the Council to set a balanced budget each year. This had last been done when Council approved a balanced budget for 2020-2021 on 4 March 2020. At that time, it had been projected that the Council would be faced with finding further estimated budget reductions totalling £15.5 million in 2021-2022, rising to around £20 million over the medium term to 2023-2024. Work had been ongoing to close the budget gap since March with budget reductions or income generation ideas. However, Covid-19 had become much more of an issue than at that point, meaning there had been significant financial implications on both the finances and operating environment of the Council.

The Finance Business Partner referred to section 6 in the main report which summarised the Draft Budget and Medium Term Financial Strategy report. The report included details about the financial implications of Covid-19 and it agreed the core principles of how the Council would deal with any budget pressures going forward. The Council had a proven record of financial planning, being able to set a balanced budget and responding to any shortfalls in future budgets. The report included a table showing the one off grants the Council had received from Government for responding to the short-term financial pressures of Covid-19. The table showed a shortfall of about £324,000 between the grants the Council had received and the financial cost pressures that were being forecast. This did not include any costs of a second lockdown or the "Relighting Our City Programme." Grants were changing on a weekly basis and so the financial situation was constantly evolving.

The Finance Business Partner stated that the main assumption for setting next year's budget was that in response to previous Government announcements, the Council assumed the Government would fund any financial pressures relating to Covid-19 in full. If this was the case, they were forecasting a gap to set a balanced budget next year of approximately £4.5 million. This was achievable and Directors had been given targets to work out budget reduction measures to try and close the gap. If the costs relating to Covid-19 were not met by the Government, the financial pressure could rise up to £23.2 million for next year. This would have a significant impact and would result in a fundamental review of all services in the Council.

The Finance Business Partner stated that section 4 of the report contained details about the Health budget relevant to the remit of the Panel. The Health budget came almost entirely from a ring fenced £21 million Public Health grant. In addition, the Council had been allocated a Test and Trace grant of £1.9 million relating to Covid-19. Part of the conditions of the Public Health grant were to deliver mandated Public Health Services that included the Healthy Child Programme, Sexual Health open access and NHS Health Checks. The grant was also used to commission substance misuse services and a range of health protection services. The conditions of the Public Health Grant also included the offer of expertise, support and advice to local NHS partners.

The Director for Public Health commented that it had been a difficult time delivering consistent strategies in the context of a global pandemic. The revenue budgets allocated enabled an approach to improve the health and wellbeing of the population that was outlined in the Public Health Vision 2030, which had been discussed at the Scrutiny Panel previously. How the money that had been allocated from the Test and Trace Grant was being spent and their general approach to the pandemic could be found in the Local Outbreak Control Plan.

The Director for Public Health referred to some notable successes in the past year. He was particularly pleased with the establishment of the Covid-19 test centres in the City. Wolverhampton had been the first to have a drive through Covid-19 testing centre and community swabbing service in the West Midlands. They had had the first walk in centre which provided a blue print for the Government. The Lateral Flow test pilot had just commenced. They had been investing in already established partnerships such as businesses and faith settings to help prevent the spread of the Covid-19 virus. Partnership working with RWT (the Royal Wolverhampton NHS Trust) and the CCG (Clinical Commissioning Group) had been critical. They had invested in partnership which had seen improvements in the Healthy Child Programme. There had also been some improvements in sexual health services. The pandemic had also increased infection control measures in Care Homes. Public Health had a good partnership with RWT for reducing smoking, the Trust had been smoke free from 1 October 2020. They were also looking at their place based approach, to see which areas of the City they could target and increase their efforts to improve health outcomes.

The Director for Public Health referred Members to three key documents for more information on their strategic approach these were the Council Plan, the Local Outbreak Control Plan and the Public Health Annual report.

A Member of the Panel congratulated the Director for Public Health and his team for their outstanding work in relation to their response to Covid-19. She had confidence in the future. Another area she wished to highlight was the excellent partnership working which had taken place, which had set a very high standard. She highlighted the place based approach and the work that had taken place in the St. Peter's Ward, which would undoubtedly make a difference to the lives of residents. She had a concern about substance misuse during the pandemic and particularly alcohol dependent persons. After attending a briefing with a member of the Public Health Team, she was concerned that the availability of hospital detox and rehabilitation

was less than a decade earlier. She was mindful that only a few problem drinkers could cause problems for a great deal many of other people in their social network. She thought an investment in this area would be worthwhile to prevent further problems in the future. Members of the Panel endorsed the Councillor's view on the outstanding work completed by Public Health during the Covid-19 pandemic.

The Director of Public Health responded that he was pleased that drug related deaths had decreased compared to the previous year. In areas outside of Wolverhampton it had mostly increased. He was however concerned about the increased burden in relation to alcohol related illness and the costs in relation to alcohol treatment. They would therefore be looking as soon as possible at refreshing their alcohol strategy to see what they could do collectively to help tackle the problem, with prevention being key.

A Member of the Panel asked if the Public Health Grant was ring fenced. He also expected the Government to fund the financial pressures the Council was facing as a consequence of Covid-19. He asked why there was a deficit.

The Finance Business Partner confirmed that the Public Health Grant was ring fenced, so it could only be spent on Public Health expenditure within the terms of the grant. There was a deficit because the overall expenditure forecast exceeded the income. Costs did increase year on year which had to be included in the financial assumptions. He cited the example of a fee uplift to providers of adult social care to sustain the market and salary increases. This was why they were trying to identify budget reductions across the Council to help bridge the projected budget deficit gap. Inflation, service pressures, such as a demand in adult social care and a reduction in the income received from areas such as business rates and Council tax were also factors to take into account.

A Panel Member commented that the Government had awarded £45.2 million in business grants and £28.3 million in business rates relief, in addition to other grants as outlined in the report. She understood that there would be a financial statement in Parliament the following week which would help reveal additional grant funding. She was in support of the Public Health grant being ring fenced.

Resolved: That the Scrutiny response be finalised by the Chair and Vice-Chair of the Scrutiny Panel and forwarded to Scrutiny Board for consideration.