

Joint Public Health Board

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Bournemouth, Poole and Dorset councils working together to improve and protect health

Date of Meeting	8 May 2014
Officer	Director for Corporate Resources
Subject of Report	Budget Monitoring 2013/14
Executive Summary	<p>Public Health Dorset has a revenue budget of close to £19M in 2013/14, as agreed by the Joint Public Health Board.</p> <p>This is an update on the position in 2013/14 which is almost complete, which explains movements on various budget headings but at present forecasts a slight change in the overall projected underspend but outlines the risk on cost and volumes in relation to demand led contracts.</p> <p>Our latest forecast is that Public Health Dorset will underspend overall, in 2013/14 by around £1.448M or 8% of the total budget. This has been intentional in the first year so we can gain an understanding of the business.</p> <p>Within this year there was and going forward significant uncertainty in regards to cost and volumes on sexual health and health checks contracts which is a risk. There are some variances within individual budget lines. The initial budget was inherited from the NHS so it is inevitable that some realignment of resources between budget lines is necessary now that actual activity becomes clear as we have a full year of running costs.</p> <p>It should be noted that it is still early days and the principle since transfer from the NHS has been to understand the current service delivery model and associated contracts to gain a better understanding of the various services that transferred from Dorset Primary Care Trust and Bournemouth and Poole Primary Care Trust. These services will be reviewed to ensure that the</p>

	<p>outcomes from the Public Health Outcomes Framework and Public Health Business Plan are met within the available resources in the most equitable, efficient and effective way.</p>
<p>Impact Assessment:</p> <p><i>Please refer to the protocol for writing reports.</i></p>	<p>Equalities Impact Assessment: An equality impact assessment is carried out each year on the medium term financial strategy.</p>
	<p>Use of Evidence: This report has been compiled from the budget monitoring information provided within the Corporate Performance Monitoring Information (CPMI).</p>
	<p>Budget: The forecast outturn figures currently show a projected underspend for Public Health Dorset at the end of March. It was agreed at the last Joint Board that this will be transferred to an earmarked public health reserve to be used in 2014/15.</p>
	<p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the County Council's approved risk management methodology, the level of risk has been identified as:</p> <p>Current Risk: MEDIUM Residual Risk LOW</p> <p>As all authorities financial performance continues to be monitored against a backdrop of reducing funding and continuing austerity. Failure to manage within the current year's budget not only impacts on reserves and general balances of the three local authorities but also has knock-on effects for the Medium Term Financial Plan and puts future service provision at risk.</p>
	<p>Other Implications: As noted in the report</p>
<p>Recommendation</p>	<p>The Joint Board is asked to consider and comment on the draft outturn position in this report.</p>
<p>Reason for Recommendation</p>	<p>Close monitoring of the budget position is an essential requirement to ensure that money and resources are used efficiently and effectively.</p>
<p>Appendices</p>	<p>Appendix 1 – Budget 2013/14, 2014/15 and 2015/16 Appendix 2 – Statement of assurance for Public Health Grant 2013/14</p>
<p>Background Papers</p>	<p>CPMI – March 2014 and Public Health Agreement</p>

Report Originator and Contact	Name: Phil Rook, Group Finance Manager Tel: 01305-225131 Email: p.j.rook@dorsetcc.gov.uk
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Public Health Dorset

1. Background

- 1.1 The Health and Social Care Act 2012 established new statutory arrangements for Public Health which came into effect on April 2013. This includes the creation of a new body responsible for Public Health at national level – Public Health England and the transfer of significant responsibilities to local councils from the NHS. NHS England and Clinical Commissioning Groups have some continuing responsibilities for public health functions.
- 1.2 The three upper tier councils in Dorset agreed that the most practical, resilient, cost efficient solution for providing Public Health functions locally would be for a pan-Dorset approach which would be hosted by Dorset County Council.
- 1.3 This was agreed for three years by all Councils and a shared services agreement was signed (high level budget at Appendix 1).
- 1.4 It has been announced that the Public Health Grant will be ring-fenced for a third year 2015/16 which ties in with the legal agreement between the three local authorities.
- 1.5 Public Health Dorset is in its first year since transfer from the NHS in April 2013, and it is only now that we have a full financial picture for 2013/14, however due to the timing of the meeting the closedown process is not full complete so the figures below are provisional.

1.6 Budget Position at 31 March 2014

	Above Line Budget 2013/14 £'000	Forecast Outturn 2013/14 £'000	Underspend/ (Overspend) 2013/14 £'000
Team Costs	2,501	2,512	(11)
Commissioned Services			
Public Health Advice	259	115	144
Sexual Health	7,373	7,362	11
Substance Misuse	3,215	3,574	(359)
National Child Measurement	39	36	3
Children 5-19	1,403	1,392	11
NHS Healthchecks	1,284	597	687
Adult Obesity	486	186	300
Smoking and Tobacco	2,067	1,448	619
Nutrition and Breastfeeding	198	155	43
TOTAL	18,825	17,377	1,448

- 1.7 Most of the forecast outturn position relates to commissioned services where the contract has transferred from the NHS to Dorset County Council. These include contracts with over 100 GP practices, over 150 pharmacies, 4 acute hospitals, and Dorset HealthCare as well as a number of programme specific contracts with other public, private and voluntary sector organisations. Some commitments are to other parts of the local authorities where public health was previously an associate commissioner with that authority. Some of these contracts are based on a cost per item payment, and where this is the case forecast outturn is based on projected activity incorporating historic activity patterns and most recent activity figures. Changes in these patterns could impact on forecast outturn but would need to be significant (>30% across the board) to change from underspend to overspend.
- 1.8 Public Health Dorset, have been and continue to work closely with the procurement team, are reviewing those contracts that have transferred, both in terms of contractual mechanism and procurement processes for the future, but also in terms of service review. Budgets may need to evolve to reflect this on-going work. Eighty contracts have been re-written and we are in the process of reissuing under new contract terms.
- 1.9 Once the under spend for 2013/14 is known that this one off amount will be transferred to a Public Health reserve in as agreed by the Joint Board at the last meeting.
- 1.10 An underspend can be transferred to a Public Health reserve to be applied in future financial years. This has been reiterated in a letter from Duncan Selbie Chief Executive of Public Health England (Appendix 2).
- 1.11 There is a requirement for each Local Authority Chief Executive / Director of Finance (S151 Officer) to confirm that grant has been applied (or, where amounts are held in the authority's public health reserve, is planned to be applied) to discharge the public health functions. I can confirm this is the case for the Joint Budget, however all authorities must sign this statement which include amounts held locally by each authority for the pooled Treatment Budget and Drug and Alcohol Teams.

2 Conclusion

- 2.1 We are almost at the end of the first financial year of providing our Public Health duties and fully understanding the financial aspects of the diverse services we provide. The partnership has been very successful and has already provided us with cost efficiencies by working together across Dorset to enable us to maximise the resources we have to improve the health outcomes for the people of Dorset.

Paul Kent
Director for Corporate Resources
May 2014

FINANCIAL UPDATE 8 MAY 2014		APPENDIX 1		
	2013/14 £000's	2014/15 £000's	Increase £000's	
Public Health Allocations				
- Poole	5,892	6,057	165	2.8%
- Bournemouth	7,542	8,296	754	10.0%
- Dorset	12,538	12,889	351	2.8%
	25,972	27,242	1,270	4.9%
	Poole	Bmth	Dorset	Total
Population as per Formula Funding 000's	148.1	183.5	413.8	745.4
%	19.9%	24.6%	55.5%	100.0%
Public Health allocation 2013/14				
	Poole	Bmth	Dorset	Total
	£000's	£000's	£000's	£000's
2013/14 Grant Allocation	5,892	7,542	12,538	25,972
Less Pooled Treatment Budget and DAAT Team costs	(1,449)	(3,098)	(2,600)	(7,147)
Joint Service Budget Partner Contributions	4,443	4,444	9,938	18,825
Public Health allocation 2014/15 and 2015/16				
	Poole	Bmth	Dorset	Total
	£000's	£000's	£000's	£000's
2013/14 Grant Allocation	6,057	8,296	12,889	27,242
Less Pooled Treatment Budget and DAAT Team costs	(1,449)	(3,098)	(2,600)	(7,147)
Public Health Increase 2014/15 back to Councils	(199)	(246)	(555)	(1,000)
Joint Service Budget Partner Contributions	4,409	4,952	9,734	19,095
% Increase in Joint Service Budget				1.43%



Public Health
England



*Wellington House
133-155 Waterloo Road
London SE1 8UG
Tel: 020 7654 8090
www.gov.uk/phe*

*Local Government House
Smith Square
London SW1P 3HZ
Tel: 020 7664 3213
www.local.gov.uk*

PHE Gateway Number: 2013-413
15 January 2014

To: Local Authority Chief Executives

Dear everyone

Ringfenced Public Health Grant

The purpose of this letter is to set out the agreed arrangements for providing a year-end Statement of Assurance to demonstrate that your ringfenced public health grant has been spent on eligible expenditure.

As you are aware, the ringfenced public health grant is paid to Local Authorities by Public Health England (PHE) and the Chief Executive of PHE is therefore the Accounting Officer for the totality of this spend, some £2.66 billion, with clear responsibility to demonstrate that the grant has been spent on the purposes intended by Parliament.

PHE has developed its assurance arrangements setting out the various elements of assurance which can be taken from existing arrangements in place across the public health system. There are a number of such forms of assurance, most fundamental of which is the annual year end Statement of Assurance to be received from each upper tier local authority. This Statement will confirm compliance with the grant conditions as set out in Local Authority Circular LAC(DH)(2013)1 on 10 January 2013.

The PHE Chief Executive, as Accounting Officer, requires assurance that local authorities have applied the ringfenced public health grant, provided to them by PHE, in accordance with the grant conditions set out in the 'Ringfenced Public Health Grant Determination 2013/14: No 31/2100' in order to support him in attesting that the expenditure in the PHE accounts has been applied to the purposes intended by Parliament. The assurance framework developed by PHE has been shared with the National Audit Office (which audits PHE's accounts).

The NAO has advised us that in principle it agrees that the assurance gained from this framework should be sufficient for it to express an opinion on the regularity of the expenditure recorded in PHE's financial statements. It has, however, highlighted a specific issue with respect to the timing of the receipt of the Statement of Assurance from Local Authority Chief Executives.

Given that this statement is a fundamental aspect of the assurance process, it is important that a Preliminary Statement of Assurance is received in time to enable PHE's accounts to be certified and laid before Parliament in June 2014; and that Local Authority Chief Executives (or Director of Finance/Section 151 Officer) prepare and sign off the Statements of Assurance on the basis of adequate appropriate evidence that grant conditions have been adhered to. PHE's accounts are consolidated into the Department of Health's Group Accounts and are therefore required to be laid before Parliament before the summer Parliamentary recess.

This means that it is essential that a Preliminary Statement of Assurance from each local authority is received earlier than was originally planned. The statement is needed by 9 May 2014 to enable the PHE Chief Executive to sign off the PHE's 2013-14 Financial Statements and for PHE's external audit to be concluded in accordance with the timetable set by the Department of Health. A draft template statement is provided at Annexe A for this purpose.

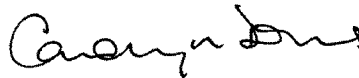
You will appreciate the importance of ensuring that the integrity of the system for providing assurance that all spend against the ringfenced grant complies with relevant grant conditions is maintained, and that this assurance is available to support the PHE Chief Executive in signing off PHE's Financial Statements. It would be greatly appreciated if you could arrange for the Preliminary Statement of Assurance to be sent to PHE at publichealthgrant@phe.gov.uk after the end of the financial year, but by 9 May 2014 at the latest.

Thank you for your support and assistance.

Best wishes



Duncan Selbie
Chief Executive
Public Health England



Carolyn Downs
Chief Executive
Local Government Association

**Annexe A
Preliminary Statement of Assurance**

[Insert name of local authority]

Date: DD/MM/YYYY

**Statement of Assurance: Ring-fenced Public Health Grant Determination 2013/14:
No 31/2100**

The ring-fenced public health grant, in the amount of £....., has been provided to this local authority, in the 2013/2014 financial year.

As the authority's Chief Executive/Director of Finance/Section 151 Officer I confirm that the grant has been applied (or, where amounts are held in the authority's public health reserve, is planned to be applied) to discharge the public health functions set out in Section 73B (2) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) in accordance with the grant conditions set out in the 'Ring-fenced Public Health Grant Determination 2013/14: No 31/2100.

I confirm that where funding has been combined ('pooled') with funds from other sources, that has been in accordance with the relevant conditions in paragraphs 5-6 of the Grant Determination.

[Signed]

