

Agenda Item:

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Joint Public Health Board

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

Date of Meeting	17 July 2014
Officer	Director for Corporate Resources
Subject of Report	Budget Monitoring 2014/15
Executive Summary	<p>Public Health Dorset has a revenue budget of close to £19M in 2014/15, as agreed by the Joint Public Health Board on 4 February 2014.</p> <p>This is the first forecast position in 2014/15 which explains variances on various budget headings but at present forecasts a overall projected underspend of around £1M or 5% but outlines the risk on cost and volumes in relation to demand led contracts.</p> <p>Following the first full year of being responsible for Public Health we have gained a better understanding of costs and volumes on sexual health and health checks contracts which a residual risk still remains. There are some variances within individual budget lines. Since the budget was agreed in February it will be inevitable that some realignment of resources between budget lines is necessary now that actual activity was clear for 2013/14 as we now have a full year of running costs.</p> <p>All services will be reviewed to ensure that the 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>
Impact Assessment:	<p>Equalities Impact Assessment: An equality impact assessment is carried out each year on the medium term financial strategy.</p>

<p><i>Please refer to the protocol for writing reports.</i></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 the financial year of around £1M.</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 forecast 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 2014/15, 2015/16</p>
<p>Background Papers</p>	<p>CPMI – June 2014 and Public Health Agreement</p>
<p>Report Originator and Contact</p>	<p>Name: Phil Rook, Group Finance Manager Tel: 01305-225131 Email: p.j.rook@dorsetcc.gov.uk</p>

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 second year since transfer from the NHS in April 2013, and it is only now that we have a full financial picture for 2013/14. The table below shows the projected forecast for 2014/15.

1.6 Budget Position at 30 June 2014

	Above Line Budget 2014/15 £'000	Forecast Outturn 2014/15 £'000	Underspend/ (Overspend) 2014/15 £'000
Team Costs	3,090	2,488	602
Commissioned Services			
Public Health Advice	202	222	(20)
Sexual Health	6,897	6,897	0
Substance Misuse	3,785	3,785	0
National Child Measurement	42	39	3
Children 5-19	1,492	1,420	72
NHS Healthchecks	1,084	1,050	34
Adult Obesity	272	340	(68)
Smoking and Tobacco	1,791	1,299	492
Nutrition and Breastfeeding	170	162	8
Inequalities	0	80	(80)
Contingency	270	270	0
TOTAL	19,095	18,052	1,043

- 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.

- 1.8 Public Health Dorset, have been and continue to work closely with the procurement team, are continuing to review 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 Public Health Reserve

- 1.10 Member will recall that at the last meeting the provisional outturn was presented, the accounts are now closed and the table below shows the underspend that was transferred into the Public Health reserve.

Poole Treatment Budget and DAAT cost for Dorset County Council

- 1.11 Due to three vacancies within the DAAT team, a joint commissioning officer, a project and policy officer and a project officer, there was underspend on the pay and travel costs for 2013/14. The one off underspend of £111k on the DAAT team costs and £177k on the Pooled Treatment Budget (PTB) has been transferred to the Public Health reserve in accordance with the grant conditions. There is an expectation that this will be spent by the end of 2014/15.

Public Health Reserve	£000's
Public Health Underspend 2013/14	1,447
DAAT Underspend 2013/14 one off (DCC)	111
PTB underspend 2013/14 one off (DCC)	177
Total	1,735

Commissioning Intentions 2014/15

- 1.12 We have in our commissioning intentions for 2014/15 specifically focussed on addressing objectives (b) and (d) and would therefore seem appropriate to use the savings from 2013/14 held in the reserve to address objectives (a) and (c).
- a. The savings are allocated pro rata based on the population of all three authorities.
 - b. The respective Health & Wellbeing boards are the forum for decision making on the allocation of resources, as advised by the respective ADPHs.
 - c. The funding is not used to cover disinvestments in existing services.
 - d. The funding supports joint locality work across agencies together e.g. NHS, LAs, Voluntary sector.
 - e. The funding supports other local initiatives e.g. Olympic legacy fund.
 - f. The funding is used to not only enhance existing work but to promote and pilot work in areas which are either new and emerging national and local priorities, or where we have limited local investment currently, e.g. public mental health.
- 1.13 It should be highlighted that this is a one off saving and any allocations by the Boards should be on the clear and shared understanding that there is no additional funds and no responsibility for any funding beyond 2014/15.
- 1.14 The boards will be the forum for deciding on any other criteria for funding and reporting on impact of the spend in accordance with national guidelines on the use of the public health grant.

1.15 These are:

- Improve significantly the health and wellbeing of local populations,
- Carry out health protection and health improvement functions delegated from the Secretary of State
- Reduce health inequalities across the life course, including within hard to reach groups
- Ensure the provision of population healthcare advice.

2 Conclusion

2.1 We are at the start of the second financial year of providing our Public Health duties and now understand 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
July 2014

FINANCIAL UPDATE 17 JULY 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%