



# Joint Public Health Board

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

Date of Meeting	6 June 2016
	Chief Financial Officer and Director of Public Health
<b>Subject of Report</b>	<b>Financial Report including Budget Outturn 2015/16</b>
Executive Summary	<p>The draft revenue budget for Public Health Dorset in 2016/17 is £28.96M. This is based upon an indicative Grant Allocation of £35.177M. The budget assumptions and the sums to be borne by each partner under cost-sharing arrangements are set out in an appendix 2.</p> <p>There is an update on the position for 2015/16, including the final outturn for 2015/16.</p>
Impact Assessment:	<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>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</p>

	<p>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>The Joint Board is asked to consider the information in this report and to:</p> <ul style="list-style-type: none"> <li>(i) agree the approach to managing reductions in the budget, based on the principles described in the report;</li> <li>(ii) note the allocations and budget for 2016/17 and for final outturn for 2015/16; and</li> <li>(iii) agree to transfer the underspend into the Public Health reserve and hold the balance to mitigate the effect of the central reductions in grant allocation.</li> </ul>
<p>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>Reason for Recommendation</p>	<p>Appendix 1 – Budget Outturn 2015/16 Appendix 2 – Budget 2015/16 and 2016/17</p>
<p>Appendices</p>	<p>CPMI – Final 2015/16 and Public Health Agreement</p>
<p>Background Papers</p>	<p>Name: Steve Hedges, Group Finance Manager Tel: 01305-221777 Email: s.hedges@dorsetcc.gov.uk</p>
<p>Report Originator and Contact</p>	

## **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 nationally mandated goals of public health in local authorities are to:
- Improve 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.
- 1.3 The agreed aims which underpin the work of Public Health Dorset are to:
- Address Inequalities;
  - Deliver mandatory and core Public Health programmes in an equitable, effective and efficient manner;
  - Improve local and national priority public health outcomes as defined by the Health and Wellbeing strategy and national Public Health Outcomes Framework;
  - Transform existing programmes and approaches to population health to include better coordination of action across and within all public service agencies.
- 1.4 The agreed principles underpinning our commissioning to deliver the above aims are improving effectiveness, efficiency and equity. This has been reflected in our on-going re-procurement and overall work-plan to date.
- 1.5 In addition to the 2015/16 grant reduction of 6.2%, the Public Health Grant, akin to all other local authority funding, will be subject to further reductions over the next three years, which will be an average real terms saving of 3.9% each year to 2020/21. This translates into an effective cash reduction for 2016/17 of 9.6% from the original 15/16 allocation plus further savings of 2.5% in 17/18, 2.6% in each of the two following years, and flat cash in 20/21.

## **2. Public Health Grant; 2015/16 Outturn & 2016/17 Budget**

- 2.1 The final outturn figure for 2015/16 was an underspend of £563,547 after accounting for an in year grant reduction of 6.2%. This is shown in appendix 1. Please note that the 15/16 budget included only half year of health visitor grant while the 2016/17 budget includes the full year effect.
- 2.2 The draft revenue budget for Public Health Dorset in 2016/17 is £28.96M. This is based upon an indicative Grant Allocation of £35.177M. This is an effective 9.6% reduction over the starting position in 15/16. As described in other papers this reduction has been transferred to providers where contract arrangements permit and where feasible. In some areas it will be achieved by better targeting of existing activity and finally in other situations by a retendering process.
- 2.3 The budget assumptions and the sums to be borne by each partner under cost-sharing arrangements are set out in an appendix 2.

### 3. Reserves

3.1 The table below shows the use the updated reserve position.

<b>Public Health Reserve</b>	<b>£000's</b>
Public Health Underspend 2013/14	1,447
DAAT Underspend 2013/14 one off (DCC)	111
PTB Underspend 2013/14 one off (DCC)	177
Use of 2013/14 underspend Poole	(287)
Use of 2013/14 underspend Bournemouth	(356)
Use of 2013/14 underspend Dorset	(700)
Public Health Underspend 2014/15	1,381
PTB Underspend 2014/15 one off (DCC)	20
Public Health Underspend 2015/16	564
Transfer from other PH reserve	250
<b>Total</b>	<b>2,607</b>

### 4. Conclusion

- 4.1 Public Health Dorset recognising the budget challenges both to the central public health grant and the wider local authority budgets has worked to ensure further significant savings. As a consequence in 2016/17 and beyond grant reductions should be manageable without compromising existing local authority commitments.
- 4.2 While continuing to pursue further efficiency gains through re-commissioning the service, we will look to restructuring public health activity and spend to provide as much convergence with other local authority priorities as practical. This is discussed further in other board papers.

**Richard Bates**  
**Chief Financial Officer**

**Dr David Phillips**  
**Director of Public Health**

June 2016

**Final Outturn 2015/16 – Public Health Operating Budget**

	<b>Actual budget 2015-2016</b>	<b>Outturn 2015-2016</b>	<b>Underspend 2015/16</b>
<b>Public Health Function</b>			
Clinical Treatment Services	£12,489,700	£11,195,577	£1,294,123
Health Improvement (C&YP)	£6,890,000	£6,622,000	£268,000
Health Improvement (Adults)	£3,599,600	£2,710,160	£889,440
Health Protection	£145,000	£52,964	£92,036
Public Health Intelligence	£271,600	£716,553	£-444,953
Resilience and Inequalities	£205,000	£29,499	£175,501
Public Health Team	£2,752,600	£2,488,811	£263,789
Reduction in grant projection		£1,974,389	-£1,974,389
<b>Total</b>	<b>£26,353,500</b>	<b>£25,789,953</b>	<b>£563,547</b>

**Public Health Grant And Budget – 2016/17**

<b>Public Health allocation 2016/17</b>	<b>Poole £000's</b>	<b>Bmth £000's</b>	<b>Dorset £000's</b>	<b>Total £000's</b>
2016/17 Grant Allocation	7,991	11,051	16,112	35,154
Less Pooled Treatment Budget and DAAT Team costs	(1,300)	(2,925)	(170)	(4,395)
Public Health Increase back to Councils	(299)	(371)	(621)	(1,291)
Joint Service Budget Partner Contributions	<b>6,392</b>	<b>7,755</b>	<b>15,321</b>	<b>29,468</b>
<b>Budget 2016/17</b>	<b>6,392</b>	<b>7,755</b>	<b>15,321</b>	<b>29,468</b>