Joint Public Health Board

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

Date of Meeting	19 September 2016
Officer	Chief Financial Officer and Director of Public Health
Subject of Report	**Financial Report to end July 2016/17**
Executive Summary	The revenue budget for Public Health Dorset in 2016/17 is £29.378M. This is based upon a Grant Allocation of £35.154M. There is an update on the forecast for 2016/17. The budget has now stabilised and through more active and systematic approaches to managing activity it is planned to make approximately £1.2m saving in 2016/17 and 2017/18. Furthermore, it is suggested that these are returned to the respective authorities and, as per the agreement at the November 2014 and February 2015 boards, divided between early intervention (children) and health protection. In addition, there is now have a fairly firm grip on finances (subject to no further major central government action) and as such it is suggested that the current reserve of £2.3m is moved into an STP/Prevention at Scale (PAS) account. This will enable Public Health Dorset to fund system wide PAS work under our three themes in the STP, through collective action and appropriate system governance. This would demonstrate a commitment to collective action through PAS while minimising the risk of losing control of this asset.
Impact Assessment:	Equalities Impact Assessment: An equality impact assessment is carried out each year on the medium term financial strategy.

	Use of Evidence: This report has been compiled from the budget monitoring information provided within the Corporate Performance Monitoring Information (CPMI).
	Risk Assessment: 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: Current Risk: MEDIUM Residual Risk LOW 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.
	Other Implications: As noted in the report
Recommendation	The Joint Board is asked to consider the information in this report and to: (i) note the current budget position; (ii) agree to return in year savings of approximate £1.2m per annum for 2016/17 & 2017/18 to the respective authorities as per the agreement at the November 2014 and February 2015 boards divided between early intervention (children) and health protection; and (iii) agree to move all the current reserve of £2.3m into an STP/PAS account to enable Public Health Dorset to fund system wide PAS work under our three themes in the STP, through collective action with appropriate system governance.
Reason for Recommendation	Close monitoring of the budget position is an essential requirement to ensure that money and resources are used efficiently and effectively.
Appendices	Appendix 1 – Public Health Grant & Budget 2016/17
Background Papers	CPMI – July 2016/17 and Public Health Agreement
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1. Background

1.1 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.

1.2 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.

1.3 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.

1.4 At the last board meeting in June 2016 we were still understanding the impact of the substantial five year cuts, amounting to 20%, published in late 2015 and as such we agreed to transfer the underspend into the Public Health reserve and hold the balance to mitigate the effect of the central reductions in grant allocation.

1.5 Previous budget savings had also been transferred into a reserve account as the majority of the contracts inherited in 2013 (from the NHS) were of a cost and volume basis and had a lot of inherent volatility. Over the last year we have transformed the majority of these contracts to block contracts and similarly transformed the remaining cost and volume contracts to be managed through a dynamic purchasing system.

1.6 Looking ahead with the removal of the ring fence in April 2018 and the continuing pressures on the NHS budget it is highly likely that there will be a further top slicing of the Public Health budget, especially if we cannot demonstrate that savings are going into supporting collective prevention work with the NHS under the STP. Many STPs are being asked to use the Public Health budget to deliver activity that gives cashable savings to the NHS – we have so far had a more ‘mature’ discussion locally.

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

2.1 The Public Health Budget is currently forecast to be underspent by £1.582m at the end of 2016/17. This details are in the table below:

	Budget 2016-2017 £000's	Outturn 2016-2017 £000's	Underspend/ (overspend) 2016/17 £000's
Public Health Function			
Clinical Treatment Services	11,464,100	11,100,601	363,499
Early Intervention 0-19	11,575,500	11,293,190	282,310
Health Improvement	2,984,700	2,449,354	535,346
Health Protection	145,000	54,000	91,000
Public Health Intelligence	244,800	292,672	(47,872)
Resilience and Inequalities	175,000	5,000	170,000
Public Health Team	2,786,300	2,598,286	188,014
Total	**29,375,400**	**27,793,103**	**1,582,297**

2.2 We have now stabilised the budget post the revised five year public health budget and through more active and systematic approaches to managing activity we plan to make approximately an average of £1.2m savings in both 2016/17 and 2017/18. It is suggested that these savings are returned to the respective authorities as per the agreement at the November 2014 and February 2015 boards divided between early intervention (children) and health protection.

2.3 It is also proposed to not transfer to the three authorities the continuing reductions in the retained and rebated monies which equate to a further savings in 16/17 of £540,000 in addition to the rebate from the operating budget of £1.29m. This will equate to a return from the operating budget of approx. £3.03m in 16/17 and 17/18 or 11% of the operating budget per annum in addition to the retained and rebated budgets.

2.4 The budget assumptions and the sums to be borne by each partner under cost-sharing arrangements are set out in an appendix 1.

3. Reserves

3.1 The table below shows the updated reserve position.

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
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
Total	**2,357**

3.2 We now have a fairly firm grip on finances (subject to no further major central government action) and as such it is suggested that we move all the current reserve of £2.3m into an STP/PAS account. This will enable us to fund system wide PAS work under our three themes in the STP, through collective action under PAS while minimising the risk of losing this budget element.

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 It should be highlighted there are very real risks in this, as the NHS front line services are affected. This can only be justified if we can demonstrate a) our collective commitment to the STP and PAS and b) a coherent plan for reinvesting savings as per our agreed principles

4.3 We will also as previously agreed continue to get as much harmonisation of public health budgets where appropriate with those of the three authorities, while recognising the changing shape of local government in the wider Dorset and need to retain flexibility

4.4 It should also be recognised that collectively we remain amongst the bottom 10% of funding per head of population of all local authorities. These further savings reflect our absolute delivery of value for money.

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Richard Bates
Chief Financial Officer
September 2016

Dr David Phillips
Director of Public Health

APPENDIX 1

Public Health Grant And Budget – 2016/17

	Poole	Bmth	Dorset	Total
	£000's	£000's	£000's	£000's
2016/17 Grant Allocation	7,991	11,051	16,112	35,154
Less Commissioning Costs	(30)	(30)	(30)	(90)
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	**6,362**	**7,725**	**15,291**	**29,378**
Budget 2016/17	**6,362**	**7,725**	**15,291**	**29,378**