

Joint Public Health Board

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

Date of Meeting	28 June 2017
Officer	Chief Financial Officer and Director of Public Health
Subject of Report	Financial Report including Budget Outturn 2016/17
Executive Summary	<p>The draft revenue budget for Public Health Dorset in 2017/18 is £28.512m. This is based upon an indicative Grant Allocation of £34.288m. The budget assumptions and the sums to be borne by each partner under cost-sharing arrangements are set out in the paper</p> <p>There is an update on the final outturn for 2016/17.</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 in all authorities, financial performance continues to be monitored against a backdrop of reducing funding and continuing</p>

	<p>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 the information in this report and to:</p> <ol style="list-style-type: none"> 1. note the final outturn for 2016/17 and allocations and budget for 2017/18; and 2. agree to transfer the underspend into the Public Health reserve and hold the balance for future commitments and to mitigate the effect of the central reductions in grant allocation.
<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>None</p>
<p>Background Papers</p>	<p>CPMI – Final 2016/17 and Public Health Agreement</p>
<p>Report Originator and Contact</p>	<p>Name: Steve Hedges, Group Finance Manager Tel: 01305-221777 Email: s.hedges@dorsetcc.gov.uk</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.

2. Outturn 2016/17

- 1.2 During 2016/17, this Board agreed to release £2.3m of accumulated reserve plus a further £200k of in-year savings back to the three constituent local authorities. After taking this into account, £995k was returned to the reserve. This largely reflects committed spend that has yet to take place.
- 1.3 The table below shows the final outturn position. Further underspend principally reflects further delay and slow uptake in health checks implementation (£300k), and lower than expected spend against accrual for support to STP development (£500k). The total over/underspend reflects the net movement in reserves and not an overspend in budget.

	Budget 2016-2017	Outturn 2016-2017	Over/ underspend 2016/17
	£	£	£
Public Health Function			
Clinical Treatment Services	11,464,100	10,930,169	533,931
Early Intervention 0-19	11,575,500	11,338,298	237,202
Health Improvement	2,984,700	2,385,705	598,995
Health Protection	145,810	94,420	51,390
Public Health Intelligence	244,800	120,816	123,984
Resilience and Inequalities	175,000	(229,079)	404,079
Public Health Team	2,946,130	2,528,051	418,079
Sub-total	29,536,040	27,168,380	2,367,660
Movement to Bmth BC		653,000	(653,000)
Movement to Poole BC		498,000	(498,000)
Movement to DCC		1,375,000	(1,375,000)
Total	29,536,040	29,694,380	(158,340)

3. Public Health Grant & 2017/18 Budget

- 3.1 The revenue budget for Public Health Dorset in 2017/18 is £28.512M. This is based on a Grant Allocation of £34.288M, a 2.5% reduction over the grant allocation for 2016/17, and no change in elements retained by local authorities. This Public Health Grant and budget allocations are shown in the table over the page:

Public Health allocation 2017/18	Poole £	Bmth £	Dorset £	Total £
2017/18 Grant Allocation	7,794,000	10,779,000	15,715,000	34,288,000
Less Commissioning Costs	(30,000)	(30,000)	(30,000)	(90,000)
Less Pooled Treatment Budget and DAAT				
Team costs	(1,300,000)	(2,925,000)	(170,000)	(4,395,000)
Public Health Increase back to Councils	(299,000)	(371,000)	(621,000)	(1,291,000)
Joint Service Budget Partner Contributions	6,165,000	7,453,000	14,894,000	28,512,000
Budget 2017/18	6,165,000	7,453,000	14,894,000	28,512,000

3.2 As described previously much of the reduction has been and will continue to be transferred to providers in line with discussions at the Board, as contract arrangements permit. In some areas, it will be achieved by better targeting of existing activity and finally in other situations by a retendering process with reshaping of services.

3. Reserves

3.1 The table below shows the use the updated reserve position as at 31 March 2017.

Public Health Reserve	£000's
Opening balance 1/4/16	2,607
Movement of reserves to Poole BC	-498
Movement of reserves to Bmth BC	-653
Underspend	2,367
Movement to DCC	-1,375
Balance in reserve at 31/03/17	2,452
PH Dorset commitment to STP/PAS costs	-1,000
Balance uncommitted in reserve	1,452

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 2017/18 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