

Joint Public Health Board

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

Date of Meeting	20 November 2017
Officer	Chief Financial Officer and Director of Public Health
Subject of Report	Financial Report
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.</p> <p>There is an update on the forecast for 17/18. This is informed by the commissioning update, included within the paper.</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>Budget: The Public Health budget is currently forecast to be underspent by £1.2m in 2017/18. Further detail is contained in the main body of the report.</p> <p>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:</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 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 update on business plan developments and use of reserves; 2. agree the distribution of the anticipated £1.2m underspend in 17/18 as per usual formula to each of the three local authorities at year end; and 3. note the preliminary indicative forecasts for 18/19 and 19/20.
<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 Public Health Dorset business plan developments, June 2017</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. Significant responsibilities for public health were transferred to local councils from the NHS, and locally these are delivered through Public Health Dorset, a shared service across the 3 local authorities. Public Health England was established and is responsible for public health nationally, and NHS England and Clinical Commissioning Groups also have some continuing responsibilities for public health functions.

Public Health Grant

- 1.2 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. The Public Health Grant Allocations and partner contributions are shown in table 1 in the appendix.

2. Commissioning update with financial impact

- 2.1 Following the report on business plan development to the last meeting of the Board, members, this paper includes a brief further update and implications for 17/18 forecast.

Drugs and alcohol

- 2.2 Procurement is now complete and the new providers are mobilising with service commencing 1st November 2017. Where savings are shown these are in addition to savings already made to date. Contracts awarded to a lead provider for each lot:

- **Lot 1 – Dorset Integrated Service**

Awarded to EDP. This will result in an estimated £166k saving in 17/18 and £400k annually thereafter and mitigates against annual dispensing cost risks of £250k. These figures have been incorporated into the 17/18 forecast.

- **Lot 2 – Recovery Oriented Prescribing Service for Bournemouth, Poole and Christchurch**

Awarded to AWP. It will result in an estimated £45k saving in 17/18 and £110k annually thereafter, and mitigates against a risk of £300k annually for dispensing costs. Figures are already incorporated within the 17/18 forecast.

- **Lot 3 – Poole Psychosocial Support Service**

Awarded to EDAS. As part of these arrangements Poole will pass additional commissioning responsibilities to Public Health Dorset. For 2017 this will be accompanied by an in-year transfer to cover these, and in subsequent years this will be reflected in revised contribution to shared service from Poole. Figures will be factored into 17/18 forecast once final figures agreed, but anticipate minimal to no impact on overall forecast.

Sexual Health Services

- 2.3 As agreed at the last Board, the business case continues to be developed to ensure a legally compliant approach. Despite issues highlighted at the June Board the 6.9% saving built into budget assumptions for 17/18 will be achieved. Further savings

planned for 18/19 are likely to be staged over two years rather than one; this will be clarified at Board meeting in February 2018.

Children and Young Person commissioning

- 2.4 As highlighted at the last Board, work continues to bring an options paper to the February meeting. There is no change to 17/18 budget position and future budget implications will be considered as part of the options paper.

Health Improvement including Health Checks

- 2.5 Targetted health checks have now commenced. Overall budget remains unchanged and we hope to see targeted health checks picking up the drop off in core health checks, with improved outcomes.

3. Use of reserve

- 3.1 At the November 2016 meeting the Board agreed that £1m of the accumulated reserve and savings anticipated at 2016/17 year end, were used to invest in expansion of the LiveWell Dorset, improving analysis and modelling and working with localities to improve engagement between local people, and voluntary and statutory services on the ground.
- 3.2 The forecast outturn for 17/18 takes account of a draw down from reserves to cover work to date and planned in 17/18.

4 Forecast Outturn 2017/18

- 4.1 The Public Health budget is currently forecast to be underspent by £1.2m.

2017/18	Budget 2017-2018	Forecast outturn 2017-2018	Forecast over/underspend 2017/18
Public Health Function			
Clinical Treatment Services	£9,980,800	£10,738,332	-£757,532
Early Intervention 0-19	£11,366,400	£11,270,594	£95,806
Health Improvement	£2,904,200	£2,637,119	£267,081
Health Protection	£245,000	£67,138	£177,862
Public Health Intelligence	£344,800	£186,674	£158,126
Resilience and Inequalities	£1,907,300	£932,501	£974,799
Public Health Team	£2,763,500	£2,418,775	£344,725
Total	£29,512,000	£28,251,133	£1,260,867

5 Looking forward

- 5.1 The Autumn Spending review in November 2015 indicated that there would be continued cuts to the public health grant until 2020/21. Final allocations for 18/19 have not yet been released but assuming a further 2.6% cut¹ in each of 2018/19 and 2019/20 estimated allocations are set out in table 2 in the appendix.

¹ Duncan Selbie letter, November 2015

- 5.2 Changes in commissioning responsibilities (including for drugs and alcohol as outlined in section 2.2 above) will result in revised contributions to the public health service from each local authority. Figures are not yet finalised, but should have no impact on long term forecast as they will match costs of areas transferred.
- 5.3 Preliminary forecasts for 2018/19 and 2019/20 have been developed that take account of further anticipated savings and likely impacts of work to date in restructuring public health activity and spend. These are indicative only and may be subject to further change.

Estimated forecast 18/19 and 19/20

	18/19	19/20
Public Health Dorset budget	27,620	26,752
Clinical Treatment Services	10,409	10,233
Health Improvement (adult)	2,530	2,620
Health Improvement (0-19)	11,038	11,038
Health Protection	67	67
Public Health Intelligence	139	139
PAS and advocacy	482	154
Public Health Team	2,500	2,500
Forecast spend	27,166	26,598
Difference (under)/over	(454)	(154)

6 Conclusion

- 6.1 **The Board are asked to note the update on business plan developments (section 2) and use of reserves (section 3).**
- 6.2 Public Health Dorset recognise the budget challenges both to the central public health grant and the wider local authority budgets, and continue to work to deliver savings. As a consequence, there is an anticipated underspend in 2017/18. **The Board are asked to agree the distribution of the anticipated £1.2m underspend in 17/18 as per usual formula to each of the 3 local authorities at year end.**
- 5.2 To date Public Health Dorset have made substantial efficiency gains through the re-commissioning of services. Further efficiency gains are planned but are likely to be on a smaller scale. Public Health Dorset continues to look at restructuring public health activity and spend to provide as much convergence with other work across the system as practical; any savings as a result of this work are likely to impact more slowly and savings made be made elsewhere in the local authority rather than in public health. **The Board are asked to note the preliminary indicative forecasts for 18/19 and 19/20.**

Richard Bates
Chief Financial Officer

Dr David Phillips
Director of Public Health

November 2017

APPENDIX 1: Public Health Grant Allocations and Partner Contributions

Table 1 - 2017/18 Allocation

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)
2014/15 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

28,512,000

Table 2 Estimated allocation 2018/19 and 2019/20

2018/19	Poole	Bmth	Dorset	Total
	£	£	£	£
Estimated 2018/19 Grant Allocation	7,591,000	10,499,000	15,306,000	33,397,000
Less Commissioning Costs	(30,000)	(30,000)	(30,000)	(90,000)
<i>Less Pooled Treatment Budget and DAAT</i>				
Team costs	(1,300,000)	(2,925,000)	(170,000)	(4,395,000) ²
2014/15 Public Health Increase back to Councils	(299,000)	(371,000)	(621,000)	(1,291,000)
Joint Service Budget Partner Contributions	5,962,000	7,173,000	14,485,000	27,620,000

Estimated Budget 2018/19

27,620,000

2019/20	Poole	Bmth	Dorset	Total
	£	£	£	£
Estimated 2019/20 Grant Allocation	7,394,000	10,266,000	14,908,000	32,528,000
Less Commissioning Costs	(30,000)	(30,000)	(30,000)	(90,000)
<i>Less Pooled Treatment Budget and DAAT</i>				
Team costs	(1,300,000)	(2,925,000)	(170,000)	(4,395,000) ³
2014/15 Public Health Increase back to Councils	(299,000)	(371,000)	(621,000)	(1,291,000)
Joint Service Budget Partner Contributions	5,765,000	6,900,000	14,087,000	26,752,000

Estimated Budget 2019/20

26,752,000

² Please refer to paragraph 5.2

³ Please refer to paragraph 5.2