

Joint Public Health Board

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

Date of Meeting	24 September 2018
Officer	Chief Financial Officer and Acting Director of Public Health
Subject of Report	Financial Report
Executive Summary	<p>The draft revenue budget for Public Health Dorset in 2018/19 was £28.592m, based on an indicative Grant Allocation of £33.407m. Current revised budget is £28.142M, after return of anticipated £450k underspend.</p> <p>The report includes an updated forecast for 2018/19. A provisional budget for 19/20 is shared, based on indicative figures published in 17/18 and taking account of future local authority changes. Final grant figures will be published nationally in November/December.</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 Dorset budget has been reduced by £450k, and is currently forecast to underspend by £192k.</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</p>

	<p>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 change to 18/19 budget; 2. Note the updated 18/19 forecast; 3. Note the provisional budget allocation for 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>Appendix 1: Public Health Grant Allocations, Partner Contributions and Forecast: revised 2018/19, provisional 19/20.</p>
<p>Background Papers</p>	<p>Previous finance reports to Board</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, funded through the ring-fenced Public Health grant. 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.
- 1.2 Since 2013 there has been a further national transfer of responsibility for the Health Visiting and school nursing services, which moved to local authorities in October 2015; the local agreement was that this was commissioned by Public Health Dorset. Public Health Dorset have also taken on additional responsibilities for commissioning drug and alcohol services from each local authority in 2015 and again in 2017.
- 1.3 Public Health Dorset have made significant returns to the 3 local authorities in line with principles previously agreed at the Board. These returns are also subject to the ring-fence grant conditions.
- 1.4 Alongside the publication of the final allocations for 2018/19, PHE announced that the Public Health Grant ring-fence and grant conditions will remain in place until at least 31 March 2020.

2. Budget and Forecast Position 2018/19

- 2.1 The opening revenue budget for Public Health Dorset in 2018/19 was £28,592k. This was based on a Grant Allocation of £33,407k, a 2.5% reduction over the grant allocation for 2017/18, and a further shift in responsibilities for drug and alcohol services reflected in retained PTB and DAAT elements.
- 2.2 Preliminary forecasts for 2018/19 were shared at the February Board; since then the councils have requested that their share of the anticipated £450k underspend is returned in year to redistribute by the usual formula for their investment in early years' services and health protection services. The updated revenue budget for Public Health Dorset is therefore £28,142k. The Public Health Grant Allocations and updated partner contributions are shown in appendix 1.
- 2.3 The current forecast for 2018/19 is an underspend of £192k (see appendix 1). This takes account of:
 - the return, as shown in 2.2 above, to councils of the planned £450k underspend;
 - improved estimates of potential cost pressures for some cost and volume activity
 - repatriation of some costs
 - anticipated income of £150k from CCG transformation monies as part of the Integrated Care System work.
- 2.4 There are still some unknowns within the forecast, with risks identified as:
 - Detox activity increasing in some localities – impact not yet understood
 - Ongoing uncertainty about Health Checks activity, with potential for further reduction in forecast
 - System focus on PAS beginning to increase flow through LiveWell Dorset, with potential knock-on impacts for some cost and volume pathways, in particular smoking cessation – 18/19 impact not yet fully understood.

3. Provisional Budget 2019/20

- 3.1 Indicative allocations for 19/20 based on current local authorities were published in 17/18 and have been shared with the Board at previous meetings. Ring-fence grant conditions will remain in place for 19/20, and the overall envelope is not expected to fall. Assuming future allocation based on population, provisional adjustment for the new footprints following LGR is shown in appendix 1. This has been discussed with Public Health England, but final grant figures will not be published nationally until November/December.
- 3.2 Funding retained within local authorities is also subject to the ring-fence grant conditions and must be signed off the Director of Public Health and Section 151 Officer / Chief Executive. Work is in progress to understand how retained elements will be used in the new local authorities and what further support public health can offer.

4. Conclusion

- 4.1 The Joint Board is asked to consider the information in this report and to note:
- the change to 18/19 budget;
 - the updated 18/19 forecast;
 - the provisional budget allocation for 2019/20.

Richard Bates
Chief Financial Officer

Sam Crowe
Acting Director of Public Health

24 September 2018

**APPENDIX 1: Public Health Grant Allocations, Partner Contributions and Forecast:
revised 2018/19, provisional 19/20.**

Table 1: Revised budget 2018/19, provisional budget 19/20

2018/19	Poole £	Bmth £	Dorset £	Total £
2018/19 Grant Allocation	7,594,000	10,502,000	15,311,000	33,407,000
Less Commissioning Costs	-30,000	-30,000	-30,000	-90,000
Less Pooled Treatment Budget and DAAT Team costs	-461,000	-2,924,800	-170,000	-3,555,800
2014/15 Public Health Increase back to Councils	-299,000	-371,000	-499,100	-1,169,100
To redistribution of anticipated 18/19 underspend to B/P/D for reinvestment (See 2.2)	-90,000	-112,500	-247,500	-450,000
Joint Service Budget Partner Contributions	6,714,000	7,063,700	14,364,400	28,142,090
Budget 2018/19				<u>28,142,090</u>

Provisional 2019/20	Bmth, Poole & Christchurch £	Dorset £	Total £
Estimated 2019/20 Grant Allocation	18,533,290	13,991,710	32,525,000
Less Commissioning Costs	-60,000	-30,000	-90,000
Less Pooled Treatment Budget and DAAT Team costs	-3,385,800	-170,000	-3,555,800
2014/15 Public Health Increase back to Councils	-670,000	-499,100	-1,169,100
Joint Service Budget Partner Contributions	14,417,490	13,292,610	27,710,100
Provisional Budget 2019/20			<u>27,710,100</u>

Shift based on population as per disaggregation workstream

Table 2: Updated forecast 2018/19, provisional budget 19/20

	Budget 2018-2019	Outturn 2018-2019	Over/underspend 2018/19	Provisional budget 2019/20
Public Health Function				
Clinical Treatment				
Services	£11,531,000	£11,508,962	£22,038	£11,371,500
Early Intervention 0-19	£11,104,000	£11,114,620	-£10,620	£11,104,000
Health Improvement	£2,342,200	£2,154,658	£187,542	£2,475,000
Health Protection	£85,000	£26,022	£58,978	£73,100
Public Health				
Intelligence	£207,800	£144,164	£63,636	£197,800
Resilience and				
Inequalities	£460,790	£701,710	-£240,920	£187,000
Public Health Team	£2,411,300	£2,299,952	£111,348	£2,301,700
Total	£28,142,090	£27,950,088	£192,002	£27,710,100

Budget reduction 18/19 taken out of Public Health Team/NHS Health Checks.