

# Joint Public Health Board

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

Date of Meeting	4 February 2019
Officer	Chief Financial Officer and Acting Director of Public Health
<b>Subject of Report</b>	<b>Financial Report</b>
Executive Summary	<p>The revised revenue budget for Public Health Dorset in 2018/19 is £28.520M, based on an indicative Grant Allocation of £33.407M.</p> <p>The report includes an updated forecast for 2018/19. Grant figures for 19/20 have now been published and revenue estimates for Public Health Dorset in 19/20 are shared in the paper.</p>
Impact Assessment:	<p><b>Equalities Impact Assessment:</b> An equality impact assessment is carried out each year on the medium term financial strategy.</p>
	<p><b>Use of Evidence:</b> This report has been compiled from the budget monitoring information provided within the Corporate Performance Monitoring Information (CPMI).</p>
	<p><b>Budget:</b> The Public Health Dorset shared service budget is currently forecast to underspend by £110k in 18/19.</p>
	<p><b>Risk Assessment:</b> 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</p>

	<p>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 note:</p> <ol style="list-style-type: none"> <li>1. The updated 18/19 forecast; Members are asked to support transfer of any underspend (projected to be £110k) to reserves.</li> <li>2. Transfer of £228k for PAS from reserve</li> <li>3. Final allocations for the two new authorities for 19/20</li> <li>4. Revenue estimates and opening budget for Public Health Dorset for 19/20.</li> </ol>
<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: Tables for finance report February 2019</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 Health Visiting 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 Borough of Poole, Bournemouth Borough Council, and Dorset County Council 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 published indicative allocations for 19/20 and announced that the Public Health Grant ring-fence and grant conditions will remain in place until at least 31 March 2020. In the run up to the establishment of Bournemouth, Christchurch and Poole council and Dorset Council these indicative figures have been revised to take account of the new council boundaries.

## **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 The revised budget is now £28,520k. This takes account of:
  - the return to councils of anticipated £450k underspend as highlighted at the last Board; and
  - transfer of £150k transformation funds from Dorset CCG to support PAS.
  - Transfer of £228k from reserve for use on work with schools within the Prevention at Scale programme.
- 2.3 Detail of the 18/19 Public Health Grant Allocations and partner contributions is in Appendix 1, table 1.
- 2.4 The current forecast for 2018/19 is for an underspend of £110k (see appendix 1, table 2). This takes account of:
  - Updated estimates for cost and volume activity, in particular inpatient detoxification activity, and the cost of buprenorphine (used for opiate substitution therapy) which has increased nine-fold during the current financial year. Significant cost pressure has been mitigated in the short term through reduced activity in other parts of the drugs and alcohol system, and slippage in some drug and alcohol contracts, whilst longer term solutions are agreed.

- Updated estimates of prescribing costs, where increased range of options for long-acting reversible contraception (LARC), changes in guidance as to preferred option (LARC), changes in cost of options (LARC and drugs and alcohol), and slow shift to new models of supply have meant that anticipated savings in these areas have not been achieved in full.

2.5 As the LiveWell Dorset service becomes more embedded across the system and more people make use of the service, we anticipate more people will also use our other health improvement services. Forecast figures for 18/19 and 19/20 allow for this to some extent, but we continue review this.

### **3. Budget 2019/20**

3.1 Ring-fenced allocations for 19/20 were published on 20 December. These and the contributions from the two new councils to the shared services budget for Public Health Dorset of £27.710M, are shown in appendix 1, table 1.

3.2 Opening budget is shown in appendix 1, table 2, along with a preliminary forecast for the year.

### **4. Reserve position**

4.1 The reserve position at 31 March 2018 was £1,817k (see appendix 1, table 3). This included £869k committed to PAS. We have now transferred £228k from reserve to cover commitments within 18/19 to date, principally around the work on whole school approach. As part of the business planning process we are beginning to develop more detailed plans for the remaining PAS commitment.

### **5. Conclusion**

4.1 The Joint Board is asked to consider the information in this report and to note:

- the updated 18/19 forecast;
- transfer of funds for PAS from reserves
- final allocations for the councils in 19/20
- opening budget for Public Health Dorset in 19/20.

**Richard Bates**  
Chief Financial Officer

**Sam Crowe**  
Acting Director of Public Health

January 2019

## APPENDIX 1: Tables for finance report February 2019

**Table 1: Revised budget 2018/19, 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 original anticipated 18/19 underspend to B/P/D for reinvestment (See 2.2)	-90,000	-112,500	-247,500	-450,000
<b>Joint Service Budget Partner Contributions</b>	<b>6,714,000</b>	<b>7,063,700</b>	<b>14,364,400</b>	<b>28,142,100</b>
CCG Transformation monies (see 2.2)				150,000
Transfer from reserve for PAS (see 2.2)				228,000
<b>Budget 2018/19</b>				<b><u>28,520,100</u></b>

2019/20	BCP £	Dorset £	Total £
2019/20 Grant Allocation	19,353,000	13,172,000	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
<b>Joint Service Budget Partner Contributions</b>	<b>15,237,200</b>	<b>12,472,900</b>	<b>27,710,100</b>
<b>Budget 2019/20</b>			<b><u>27,710,100</u></b>

*Shift based on population as per disaggregation workstream*

**Table 2: Updated forecast 2018/19, 19/20 opening budget detail and preliminary forecast.**

2018/19	Budget 2018-2019	Forecast 2018- 2019	Over/underspend 2018/19	Opening budget 2019/20	Preliminary forecast 19/20
<b>Public Health Function</b>					
Clinical Treatment Services	£11,531,000	£11,642,416	-£111,416	£11,376,000	£11,498,593
Early Intervention 0-19	£11,104,000	£11,114,620	-£10,620	£11,104,000	£11,057,165
Health Improvement	£2,342,200	£2,078,682	£263,518	£2,475,000	£2,422,800
Health Protection	£85,000	£22,785	£62,215	£57,000	£31,500
Public Health Intelligence	£207,800	£138,569	£69,231	£104,800	£115,000
Resilience and Inequalities	£838,801	£1,166,485	-£327,684	£190,300	£190,300
Public Health Team	£2,411,300	£2,246,543	£164,757	£2,340,000	£2,350,598
<b>Total</b>	<b>£28,520,101</b>	<b>£28,410,101</b>	<b>£110,000</b>	<b>£27,710,100</b>	<b>£27,665,956</b>

Resilience and inequalities budget increased by £378k in 18/19, £150k Dorset CCG funding for PAS, plus 228k transfer from STP/PAS reserve.

**Table 3: Public Health reserve**

Public Health Reserve	£'s
Opening balance 1/4/18	1,817,000
STP/PAS transfer from reserve	-228,000
Balance in reserve at January 2019	1,589,000
Balance of commitment to STP/PAS	-641,000
<b>Balance uncommitted in reserve</b>	<b>948,000</b>