

Joint Public Health Board

03 February 2020

Finance report

For Decision

Portfolio Holder: Cllr L Miller, Adult Social Care and Health, Dorset Council
Cllr L Dedman, Adult Social Care and Health, Bournemouth,
Christchurch and Poole (BCP) Council

Local Councillor(s): All

Executive Director: Sam Crowe, Director of Public Health

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Report Status: Public

Recommendation:

1. That the Joint Public Health Board notes:
 - a. the shared service 19/20 forecast outturn
 - b. the use of 19/20 retained public health grant in Dorset Council and BCP council respectively
 - c. the draft 2020/21 budget and update on grant allocation
2. That the Joint Public Health Board approves the return of £426k to Dorset Council and £444k to BCP council from Public Health Dorset reserves, to support non-recurrent spend in line with the public health grant conditions.

Reason for Recommendation:

The public health grant is ring-fenced and all spend against it must comply with the necessary grant conditions and be signed off by both the Chief Executive or Section 151 Officer and the Director of Public Health for each local authority.

The public health shared service delivers public health services across Dorset Council (DC) and BCP Council. The service works closely with both Councils and partners to deliver the mandatory public health functions and services, and a range of health and wellbeing initiatives. Each council also provides a range of other services with public health impact and retains a portion of the grant to support this in different ways.

1. Executive Summary

- 1.1 This report provides a regular update on the use of each council's grant for public health, including the budget for the shared service, Public Health Dorset, and the other elements of grant used within each council outside of the public health shared service.
- 1.2 The revenue budget for Public Health Dorset in 2019/20 opened at £27.705M, based on an indicative Grant Allocation of £32.525M. There has been movement in from reserves and realignment of the retained elements giving a shared service budget of £27.716M. Forecast outturn for 2019/20 shows a £321k underspend.
- 1.3 Dorset Council retains £617k of their 19/20 ring-fenced grant, with forecast outturn £617k. BCP retains £4.355M of their 19/20 ring-fenced grant.
- 1.4 The Spending Round 2019 announced a real-terms increase to the overall public health grant in 2020/21. No further detail has yet been shared as to what this means for local authority allocations. We hope this will be published late January 2020. Until then each council and the shared service are working on the basis of the same grants and retained elements as 19/20, leading to a £56k reduction in the shared service budget.
- 1.5 At the November Joint Public Health Board (JPHB) it was agreed to look at how we use the uncommitted shared service public health reserves. It is proposed that, after taking anticipated underspend into account, £870k from reserves is split pro-rata to population, with £426k being returned to DC and £444k returned to BCP. This remains ring-fenced in line with the grant conditions and how it is used will be reported at the next JPHB.

2. Financial Implications

- 2.1 The shared service model was developed to enable money and resources to be used efficiently and effectively, whilst retained elements allow for flexibility for local priorities.

- 2.2 Return of uncommitted reserves will improve 19/20 in-year financial positions for both local authorities.

3. Climate implications

- 3.1 Public Health Dorset supports a range of work that may have impacts on climate change. This includes, for example:
- encouraging active travel through the LiveWell Dorset service and Active Ageing work;
 - funding the establishment of a real-time air quality monitoring network;
 - Healthy Homes, working across Dorset and BCP to improve insulation and heating in homes, including additional external financial support;
 - encouraging remote working or car share rather than travel for staff.

4. Other Implications

- 4.1 Public Health Dorset deliver mandated public health functions on behalf of both Dorset Council and BCP council. As part of the mandated 'advice to the NHS' the shared service plays a key role within the Dorset Integrated Care System, particularly focused on the Prevention at Scale portfolio. Work within the portfolio includes for example:
- Physical activity (Move More) is one of four lifestyle behaviours covered by our LiveWell Dorset service;
 - Supporting staff health and wellbeing across the system;
 - Encouraging non-medical models of care that make best use of voluntary and community organisations within primary care, through work with Altogether Better and Primary Care Networks;

5. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: MEDIUM

Residual Risk: LOW

6. Equalities Impact Assessment

This is a monitoring report therefore EqIA is not applicable.

7. Appendices

Appendix 1: Tables for finance report February 2020

8. Background Papers

Previous finance reports to Board

[Spending Round 2019](#)

9. 2019/20 Public Health Dorset position

- 9.1 Since the last JPHB there has been no further movement in the shared service budget which remains at £27.716M.
- 9.2 The updated forecast (see Appendix 1, table 1) predicts an underspend of £321k. This is based on the following assumptions, issues, or changes since the November report:
- Health Checks forecast is based on Q2 data with anticipated further 2% uplift each following quarter. A further communications campaign is planned in January, so this could increase further.
 - Other health improvement cost and volume contracts are also now based on Q2 data. Increased activity in some contracts is balanced by reductions in others.
 - Inpatient detoxification activity has risen, but remains within budget.
 - Additional prescribing and dispensing costs within drug and alcohol treatment services continue to be included in forecast.
 - Additional numbers of patients are being managed within the system, particularly in Bournemouth, and potential for related cost pressure is included within the forecast.
 - Continued reductions in prescribing costs of long-acting reversible contraception (LARC).
- 9.3 At the November JPHB indicative plans were agreed for the use of £617k PAS committed reserves within the Public Health Dorset 2020/21 business plan. Further detail will be provided as we develop and share the 2020/21 business plan.
- 9.4 The current reserve also includes uncommitted funds. As agreed at the last JPHB, a contingency of around £0.5M will be held in reserves in case of volatility in cost and volume contracts. After taking account of anticipated underspend it is proposed to return a further £870k in total to the local authorities. In line with previous agreements on returns this will be done pro-rata to population (49:51 based on mid-2018 estimates), with £426k returned to Dorset Council and £444k to BCP council (see Appendix 1, table 2).
- 9.5 Movement of the forecast £321k underspend to reserves at the end of 19/20 would mean a 20/21 opening position for the uncommitted element of the reserves of around £444k. This still has potential to change.

10. 2020/21 Public Health Dorset position

- 10.1 As further detail on 2020/21 public health allocations is unlikely before 31 January, the opening budget is built based on the same grants and final agreement on retained elements as 19/20 (see Appendix 1, table 3).
- 10.2 This gives an opening budget of £27.552M. The draft budget (see Appendix 1, table 1) takes account of the following assumptions or issues:
- Adjustment as BCP retained amount continues at higher level than anticipated in long term budget planning
 - Staff uplift, and on-costs including increase in employer contributions, estimated at 2.75%
 - Posts within resilience and inequalities shifted to the Public Health team budget.
 - Contract commitments within Clinical Treatment services and community services under Health Improvement.
 - Health Checks budget as agreed at JPHB.

11. Dorset Council Grant position

- 11.1 Dorset Council receives a ring-fenced public health grant of £13.172M. Most of this contributes to the shared service, however £617k is retained for use within the council. The public health ring-fenced conditions apply equally to the whole grant.
- 11.2 Within Dorset Council this is set against the following budget areas:
- Community safety team within Adults – Housing (£150k). Some of the work this supports is on behalf of both councils.
 - Community development work within Customer Services (£353k).
 - Children's early intervention (£114k).
- 11.3 Current forecast outturn across the whole retained amount is break even.

12. BCP Council Grant position

- 12.1 BCP council receives a ring-fenced public health grant of £19.353M. Most of this contributes to the shared service, however £4.355M is spent directly by the council within the grant conditions. The public health conditions apply equally to the whole grant.
- 12.2 Within BCP council this is set against the following budget areas:

- Drugs and alcohol services for adults (£1.460M). There are cost pressures within this area currently.
- Drug and alcohol services for children (£381k)
- Children's services including children's centres (£2.494M), and other early intervention work. The discussion at BCP Cabinet on the Family Support and Early Help Strategy that will inform future plans in this area is now due 12 February 2020.

12.3 Current forecast outturn across the whole retained amount is break even.

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix 1. Tables for finance report February 2020

Table 1. 19/20 Forecast Outturn and 20/21 Provisional Budget

2019/20	Budget 2019-2020	Forecast Outturn 2019-2020	Forecast Over /underspend 2019/20	Provisional Budget 2020-21
Public Health Function				
Clinical Treatment Services	£11,208,000	£11,315,149	-£107,149	£11,208,000
Early Intervention 0-19	£11,104,000	£11,081,498	£22,502	£11,000,000
Health Improvement	£2,771,000	£2,256,426	£514,574	£2,563,000
Health Protection	£57,000	£21,515	£35,485	£35,500
Public Health Intelligence	£147,800	£118,707	£29,093	£120,000
Resilience and Inequalities	£190,300	£258,814	-£68,514	£99,100
Public Health Team	£2,238,200	£2,343,449	-£105,249	£2,526,700
Total	£27,716,300	£27,395,558	£320,742	£27,552,300

Table 2. Public Health Reserves

Opening balance 1/4/19	£1,784,000	
PHD Commitment to STP/PAS costs	£791,000	
STP/PAS transfer from reserve	-£27,000	HEAT Melcombe Regis Certificates
	-£39,000	HEAT Melcombe Regis Certificates Pt 2
	-£108,000	Smoking TFR
Balance of PHD Commitment to STP/PAS costs	£617,000	
	-£426,000	Return to BCP (one off)
	-£444,000	Return to DC (one off)
Balance uncommitted in reserve	£123,000	

Table 3. Partner contributions 19/20 and 20/21

	BCP	Dorset	Total
2019/20 Grant Allocation	£19,353,000	£13,172,000	£32,525,000
Less retained amounts	-£4,355,300	-£617,400	-£4,972,700
Use of BCP ring-fenced PH reserves	56,000		56,000
Joint Service Budget Partner Contributions	£15,053,700	£12,554,600	£27,608,300
Transfer from PHD reserve for PAS			£108,000
Budget 2019/20			£27,716,300
2020/21 Estimated Grant Allocation	£19,353,000	£13,172,000	£32,525,000
Less retained amounts	-£4,355,300	-£617,400	-£4,972,700
Joint Service Budget Partner Contributions	£14,997,700	£12,554,600	£27,552,300
Provisional Budget 2020/21			£27,552,300