

Joint Public Health Board

21 July 2020

Finance Update

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:

The Joint Public Health Board is asked to note this report.

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 final 19/20 outturn for the shared service budget was an underspend of £170k.
- 1.3. Following the Spending Round 2019 announcement of a real terms uplift, detail of local authority allocations was published on 17 March 2020. Agreed contributions to the shared service budget for Public Health Dorset in 2020/21 give a revenue budget of £28.748M, based on an indicative Grant Allocation of £33.838M.
- 1.4. Dorset Council retains £617k and BCP retains £4.472M of their respective 20/21 ring-fenced grants.
- 1.5. Recognised underlying cost pressures, for example in drugs and alcohol, have been met through savings in other areas to date. With COVID it is unclear to what extent this can continue. COVID has also highlighted additional cost-pressures within public health services and for the system. These cost pressures will be met within the uplift to the shared service budget, without making a call on MHCLG additional COVID funding. Our tentative initial forecast outturn is therefore a £177k underspend
- 1.6. Work on local outbreak management plans in response to the next phase of COVID-19 began during June. Additional DHSC funding has been allocated nationally to support these plans. Resource and capacity plans will be developed through the COVID-19 Health Protection Board, chaired by the Director of Public Health, overseen by each Health and Wellbeing Board.
- 1.7. Reserves stand at £617k for Prevention at Scale and £293k uncommitted funds.

2. Financial Implications

- 1.8. 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.

3. Climate implications

- 1.9. Public Health Dorset supports a range of work that will have impacts on climate change, and some of this work has seen massive change through the COVID-19 period. A key focus for recovery will be how to maintain this impetus.

4. Other Implications

- 1.10. Public Health Dorset deliver mandated public health functions on behalf of both Dorset Council and BCP council. A key part of this is assurance on

eth Health Protection function, working closely with the South West Public Health England team. This is clearly critical in our response to COVID-19.

5. Risk Assessment

Having considered the risks associated with this financial monitoring, 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. Finance Tables July 2020

8. Background Papers

Previous finance reports to the Board

[Public Health grant to local authorities 2020/2021, published 17/03/20](#)

9. 2019/20 Public Health Dorset budget outturn

1.11. Final year end position for 19/20 was an underspend of £170k, a deterioration from predicted underspend in Feb 2020.

1.12. This was due to:

- a. Full effect of additional prescribing and dispensing costs within drug and alcohol treatment services.
- b. Full effect of additional numbers of patients are being managed within the system, particularly in Bournemouth

10. 20/21 Grant Uplift

1.13. The Spending Round 2019 announced a real terms increase to the overall public health grant in 2020/21. Detail was shared with local authorities on 17/3/20. The grant for Dorset council grew from £13,172k to £14,072k (£900k increase) and for BCP council from £19,353k to £19,766k (£412k increase). Guidance released alongside the grant notes that this *includes an adjustment to cover the estimated additional Agenda for Change pay costs of eligible staff working in organisations commissioned by local authorities to deliver public health services.*

1.14. The Agenda for Change pay deal was a 3-year deal from 18/19 to 20/21. Large providers have received non-recurrent funding direct from NHSE to cover these costs in 18/19 and 19/20. Our current understanding is that we will only need to pick up the final year of the deal (i.e. 20/21) but we are still working this through with Dorset HealthCare (the main provider to

whom this applies). Latest estimates of a single year effect are £310k, but these continue to be worked through.

11. 20/21 shared service budget

- 1.15. Agreed local authority contributions are set out in table 2 in the appendix. This gives a shared service budget of £28,748k.
- 1.16. Clearly with the COVID 19 pandemic substantial changes have had to be made to public health services, and additional support has been needed to mitigate both the physical consequences of the virus, and the economic and mental health consequences of “lockdown” and social distancing measures. This has created additional cost pressures on both Public Health Dorset and the wider system.
- 1.17. Public Health Dorset recognises that both Councils are facing significant financial challenges. Following announcement of additional COVID-19 funding from MHCLG in March 2020, Public Health Dorset agreed, in discussion with both councils that any cost pressures identified at that point would be funded through the grant uplift or other system partners and no call would be made on the MHCLG funding.
- 1.18. Estimates of cost pressures at the time included:
 - a. Non-COVID related:
 - Drug and Alcohol services: £240k (additional demand in BCP)
 - Agenda For Change uplift on NHS contracts: £310k
 - b. COVID related:
 - Drug and Alcohol services: £450k
 - Sexual Health Services: £75k
 - Health Improvement (smoking): £85k
 - Suicide and bereavement support: £100k
 - Modelling and data science: £60k
 - System mental health support (both CYP, workforce and adults): £400k
- 1.19. The uplift in the shared service budget has therefore been used to cover these areas for 20/21, with a recognition that there may need to be further discussion about how this is used longer term. The budget is set out in table 3 in the appendix, along with a very initial forecast, recognising the very high level of uncertainty that continues.
- 1.20. The forecast does not take account of work to support Local Outbreak Management Plans and any use of the additional resources allocated from the Test and Trace Grant from MHCLG on 10 June 2020 to support these.

12. Reserves

- 1.21. At the November JPHB indicative plans were agreed for the use of £617k PAS committed reserves within the Public Heath Dorset 2020/21 business plan. Given the limited capacity within the team due to work supporting the COVID response, it is likely that some of this work may slip. We continue to review and support what we can, recognising that some of the changes required due to COVID may have supported or accelerated our overall planned direction of travel. There has not been a requirement to date to pull on reserves.
- 1.22. The current reserve also includes £293,600 uncommitted funds. This is lower than the planned £0.5M contingency, having returned £870k to the local authorities in 19/20.

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. Finance Tables July 2020

Table 1. 19/20 Outturn

2019/20	Budget 2019-2020	Outturn 2019-2020	Over/underspend 2019/20
Public Health Function			
Clinical Treatment Services	£11,208,000	£11,513,578	-£305,578
Early Intervention 0-19	£11,104,000	£11,155,559	-£51,559
Health Improvement	£2,783,843	£2,081,249	£702,594
Health Protection	£57,000	£23,854	£33,146
Public Health Intelligence	£147,800	£104,025	£43,775
Resilience and Inequalities	£188,651	£315,077	-£126,426
Public Health Team	£2,066,742	£2,192,395	-£125,654
Reserve amount to BCP	£444,000	£444,000	£0
Reserve amount to DC	£426,000	£426,000	£0
Total	£28,426,036	£28,255,737	£170,300

Table 2. Partner contributions 20/21

2020/21	BCP	Dorset	Total
	£	£	£
2020/21 Grant Allocation	19,765,800	14,072,300	33,838,100
Less retained amounts	-4,472,100	-617,400	-5,089,500
Joint Service Budget Partner Contributions	15,293,700	13,454,900	28,748,600
Budget 2020/21			£28,748,600

Table 3. 20/21 Forecast Outturn

2020/21	Budget 2020-2021	Forecast Outturn 2020-2021	Forecast Over/underspend 2020/21
Public Health Function			
Clinical Treatment Services	£11,803,000	£11,933,224	-£130,224
Early Intervention 0-19	£11,185,000	£11,543,000	-£358,000
Health Improvement	£2,648,000	£1,970,063	£677,937
Health Protection	£35,500	£35,500	£0
Public Health Intelligence	£180,000	£148,735	£31,265
Resilience and Inequalities	£314,100	£314,100	£0
Public Health Team	£2,583,000	£2,626,610	-£43,610
Total	£28,748,600	£28,571,232	£177,368

Table 4. 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)
	£170,300	19/20 underspend to reserve
Balance uncommitted in reserve	£293,600	