

# Joint Public Health Board

## 21 July 2020

### Finance Update

Choose an item.

**Portfolio Holder:** Cllr L Miller, Adult Social Care and Health, Dorset Council  
Cllr N Greene, Covid Resilience, Schools and Skills,  
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 opening revenue budget for Public Health Dorset I 2020/2021 was £28.748M. This is based on a combined Grant Allocation of £33.838M, a real-terms increase from 19/20.
- 1.3. Dorset Council retains £617k and BCP retains £4.472M of their respective 20/21 ring-fenced grants. The public health ring-fenced conditions apply equally to these elements of the grant. Both DC and BCP are forecasting breakeven against their retained grant.
- 1.4. COVID-19 has had a significant impact on Public Health Dorset and both local authorities. Financial impacts have been hard to gauge as many of our public service partners have been urged to do whatever it takes in response to the pandemic, so expected additional costs have been met through redeployment and other routes. It is unclear to what extent this will continue going forward. At the same time activity in many areas has decreased or paused, with resulting savings. After allowing for known cost pressures, our current provisional forecast for 20/21 is £1M underspend.
- 1.5. Plans in support of COVID-19 local outbreak management plans are developed through the COVID-19 Health Protection Board, chaired by the Director of Public Health. Additional funding from the Test and Trace Grant to support these plans is overseen by each local authority. Direct costs to the shared service in supporting this work are currently being managed within the overall Public Health Dorset budget without making a call on this resource.
- 1.6. Reserves stand at £617k for Prevention at Scale and £293k uncommitted funds.

## **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.

## **3. Climate implications**

- 3.1. 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**

- 4.1. 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

the 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 October 2020

## 8. Background Papers

Previous finance reports to the Board

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

## 9. 20/21 Public Health Dorset Budget and Forecast Out-turn

- 9.1. The Spending Round 2019 announced a real term increase to the overall public health grant for 2020/21. Detail, shared with local authorities on 17/3/20, showed a £900k increase for Dorset council (from £13,172k to £14,072k) and a £412k increase for BCP council (from £19,353k to £19,766k). 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.*
- 9.2. Agreed local authority contributions are set out in table 2 in the appendix. This gives a shared service budget of £28,748k.
- 9.3. Clearly the COVID 19 pandemic has meant substantial changes for our public health services. Many of our public service partners have been able to manage adaptations to services through redeployment and other routes. Meanwhile other public health services have slowed or paused and it is not clear to what extent these may return to normal within the year.
- 9.4. The public health team is also playing a key role in our local COVID response, with staff extending their working hours, an on-call rota being stood up, and additional resources being bought in to support. It is anticipated this will need to continue until Mar 2021 as a minimum.
- 9.5. Given the uncertainty associated with COVID it is difficult to deliver an accurate forecast. Our current provisional forecast for 20/21 is a £1M underspend. This takes account of:
  - a. Non-COVID related cost pressures on services:

- Drug and Alcohol services: £240k (additional demand in BCP)
- Agenda for Change uplift on NHS contracts: estimated at £310k – final figure not yet clear

b. Estimated COVID related full year impact:

- Assume reduction in spend on NHS Health Checks and other Community Health Services continues: £900k compared to budget
- Adaptation to services to date to make them COVID secure (this includes elements of planned PAS work on smoking): £250k
- Modelling and data science to support EpiCell work: £60k
- COVID response cost pressures within the team: £100k

9.6. The forecast may not fully account for:

- Suicide and bereavement support: some picked up elsewhere in system or through PHD team costs – any additional impact unclear at this time
- Significant change in activity within Community Health Services either due to recovery or further reduction from November
- Any further COVID response costs falling on PHD team not covered by other grants such as Test and Trace grant.

9.7. 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.

9.8. 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.

## 10. Grant allocation retained by the Local Authorities

10.1. Alongside the shared public health service, 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. The public health ring-fenced conditions apply equally to the whole grant and is therefore also covered in this report.

10.2. BCP council retains £4.472M of their £19,766k grant. Within BCP council this is set against the following budget areas in the medium-term financial plan, which are all expected to breakeven: .

- Drugs and alcohol services for adults and children (£1.841M). This spend is predominantly within the previous Bournemouth Borough

Council area, where PHD have more limited commissioning responsibility. PHD currently have responsibility for all of the Christchurch drugs and alcohol services and the majority of those in Poole.

- Children's centres and early help (£2.494M) and early intervention around 'adolescent risk' agenda (£20k).
- A central overheads element – (£117k, 2.7% of total retained grant).

10.3. Dorset Council retains £617k of their £14,072k grant. Within Dorset Council this is set against the following budget areas, which are all expected to breakeven

- Community safety (£170k). This supports the Dorset Council Community Safety team, including some of the work that they deliver on behalf of both councils.
- Community development work (£333k). Previously the POPPs service, this supports community development workers across Dorset with building community capacity, but also has a specific focus on supporting vulnerable individuals who have suffered from or are at risk of financial scams.
- Children's early intervention (£114k). This includes support around Teenage Pregnancy, and work through HomeStart.

## **11. Reserve position**

11.1. The overall reserve position stands at £910,600. This is made up of £617k PAS committed reserves and £293.6k uncommitted reserve (lower than the planned £0.5M contingency).

11.2. Indicative plans for the PAS reserves were agreed this time last year, for delivery as part of the Public Health Dorset 2020/21 business plan. The COVID pandemic has meant that:

- Work on tobacco control for vulnerable groups, including e-cigarettes has progressed although adapted because of COVID. Costs have so far been covered through underactivity in smoking cessation through other community providers.
- Digital enhancements to the Health Improvement offer have slowed but are continuing.
- Suicide prevention work has continued although plans for training have had to be adapted.

11.3. We do not anticipate a need to pull on reserves during 20/21. The projected underspend from the financial year 2020/21 will be returned to Councils for use in line with the Grant criteria. Following agreement

with both Section 151 Officers, the underspend will be returned in line with the proportion of the overall Grant paid to the shared service.

11.4.

11.5. In future financial years, including 2021/22, the contribution to the shared service will be agreed in advance, allowing for a more planned investment of the public health Grant outside of the shared service.

## **12. Look forward to 21/22**

12.1. The Spending Round 2019 covered a single year planning round. It seems unlikely that in the midst of a COVID pandemic there will be reductions to the Public Health Grant. Our planning for next year is therefore built on an assumption that the Public Health Grant will be the same as 20/21.

12.2. In recognition of the difficult and uncertain financial circumstances that both local authorities face due to the COVID response, discussion continues in regard to any potential change in retained elements or return of any underspend to ensure local authorities can continue to provide and transform their prevention and public health interventions.

### **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. 20/21 Forecast Outturn**

<b>2020/21</b>	<b>Budget 2020-2021</b>	<b>Forecast outturn 2020-2021</b>	<b>Forecast over/underspend 2020/21</b>
<b>Public Health Function</b>			
Clinical Treatment Services	£11,859,000	£11,230,864	£628,136
Early Intervention 0-19	£11,185,000	£11,442,000	-£257,000
Health Improvement	£2,648,000	£1,876,255	£771,745
Health Protection	£35,500	£27,280	£8,220
Public Health Intelligence	£180,000	£190,511	-£10,511
Resilience and Inequalities	£314,100	£181,907	£132,193
Public Health Team	£2,527,000	£2,705,010	-£178,010
<b>Total</b>	<b>£28,748,600</b>	<b>£27,653,827</b>	<b>£1,094,773</b>

**Table 2. Partner contributions 20/21**

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

**Table 3. Public Health Reserves**

Opening balance 1/4/20	£910,600	
PHD Commitment to STP/PAS costs	£617,000	
Uncommitted balance	£293,600	