

Joint Public Health Board

9 February 2021

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

Report Author: Jane Horne
Title: Consultant in Public Health
Tel: 01305 224400
Email: jane.horne@dorsetcouncil.gov.uk

Report Status: Public

Recommendation:

The Joint Public Health Board is asked to

- note this report
- agree the use of £338k of the anticipated 2020/21 underspend as a contingency to support restarting health improvement services in 2021/22
- agree the use of the remaining £1M anticipated 2020/21 underspend to reduce each local authority's financial contribution for 2021/22 as a one-off. This will mean a reduction of £532k in BCP's contribution and £468k for Dorset council.
- approve a provisional budget for the shared service for 21/22 of £28,133k
- approve Appendix 2, which will form the financial annex to the shared services partnership agreement for 2021/22
- agree the proposal to extend the current Bournemouth, Poole and Dorset Alcohol and Drugs Strategy 2016-2020 for a minimum of another year

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.

At the November meeting the Board approved a continued shared service partnership agreement. This included the requirement to develop and agree a financial annex through the Joint Public Health Board in advance of each financial year, setting out the agreed contributions to the public health service.

This will support better financial planning and use of the public health Grant to improve outcomes in partner Councils, as well as through the shared service.

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 in 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 continue to be hard to gauge with both additional costs due to COVID, and reduction in services paid on an activity model where activity has fallen off substantially. After allowing for known cost pressures, our current provisional forecast for 20/21 is £1.4M 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. Some additional costs to the shared service in supporting this work are now being met through the Contain Outbreak Management Fund.
- 1.6. Reserves stand at £617k for Prevention at Scale and £293k uncommitted funds.

1.7. Grant allocations for public health in 21/22 have not yet been released, although we have had an indication that last year's uplift will be maintained. Applying the 20/21 underspend and a reduced provisional budget for the shared service for 21/22 of £28,133k, suggested contributions from each local authority have been developed and are set out in Appendix 2.

1.8. The board is asked to note that both Councils were advised during the budget setting round for 2021-22 that our forecast requirements for the public health shared service would lead to a reduction in the budget of approximately £1M. Because of continued uncertainty in service delivery for the financial year 21/22 this forecast has been revised downwards to £616k. The position will be kept under review in-year through budget monitoring and in discussion with each Council, with the aim of meeting the original commitment of £1M to be retained by Councils for investment in public health outside of the shared service.

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.

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 January 2021

Appendix 2. Financial contributions to shared service 21/22

8. Background Papers

Previous finance reports to the Board

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

[Shared Service Partnership agreement November 2020](#)

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. This was 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 for 20/21 are set out in table 2 in appendix 1. 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. It is highly unlikely that these will return to normal within this financial 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. This is currently in place until Mar 2021, and we are currently looking at extending this into next year, given current levels of COVID activity.

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 £1.4M 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 £350k full year effect, with agreement to half year payment only in 20/21

b. Estimated COVID related full year impact:

- Assume reduction in spend on NHS Health Checks and other Community Health Services continues: approx. -£900k
- 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

9.6. Both local authorities have agreed that COVID response cost pressures within the Public Health Dorset team will now be met through the Contain Outbreak Management Fund.

- 9.7. The forecast may not fully account for:
- Apportionment of COVID related costs to different COVID grants or the PHD shared service budget
 - Suicide and bereavement support: some picked up elsewhere in system or through PHD team costs
 - Further ongoing reductions in activity within Community Health Services due to ongoing COVID restrictions and concerns.

10. Grant allocation retained by the Local Authorities 20/21

- 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 will not need to use reserves during 20/21. The projected underspend from the financial year 2020/21 will be used in part to support restarting services and in part to offset each council's contribution in 2021/22 as set out in the shared service partnership agreement. This will support a more planned investment of the public health grant outside of the shared service (see section 12).

12. Look forward to 21/22

12.1. Grant allocations for public health in 21/22 have not yet been released, although we have had an indication that last year's uplift will be maintained. Our planning for next year is therefore built on an assumption that the Public Health Grant for each local authority will be the same as 20/21.

12.2. At the November meeting the Board approved the shared service partnership agreement. A key requirement is to develop and agree a financial annex in advance of each financial year that sets out the agreed contributions for each local authority to the public health service.

12.3. It is recommended that a proportion (£338k) of the anticipated 2020/21 underspend will be applied to the shared service in 2021/22 as a contingency to support restarting and potential catch up for health improvement services in 2021/22.

- 12.4. It is then recommended that the remaining £1M anticipated 2020/21 underspend will be deducted proportionately from each local authority's financial contribution for 2021/22. This is 53% BCP council and 47% Dorset council and will mean a reduction of £532k in BCP's contribution and £468k for Dorset council as a one-off.
- 12.5. Based on a combination of 19/20 outturn and 20/21 forecast we have also developed a provisional budget for the shared service for 21/22 of £28,133k. This does not include the £338k from the 20/21 underspend. It assumes:
- a return to normal activity within current activity-based contracts
 - no change in the arrangements for drugs and alcohol services (although the November Board agreed a move of BCP drug and alcohol contracts to BCP as the sole commissioner. Current plans are for transfer of at least some contracts with commissioning responsibility and associated budget from April 2021. Any change in drug and alcohol budgets as a result of these planned changes will be advised once agreed.)
 - full year effect of agenda for change agreements from 20/21
- 12.6. Working back from this budget would allow the two local authorities to retain an additional £616k. There are a number of potential ways that this can be split between the two local authorities, for example :based on population, based on a weighted population share that takes account of cost per head pf population (this is higher in BCP than DC), based on current contributions into the service, or a combination of the above.
- 12.7. Using the proportion relative to each local authority's financial contribution, as per the Partnership agreement, would mean an additional £328k retained by BCP council and £288k retained by Dorset council.
- 12.8. Based on the provisional budget as set out in 12.5 to 12.7 above, and return of underspend as set out in 12.4, the recommended contributions for each local authority are set out in Appendix 2, which will form the financial annex to the share service partnership agreement for 2021/22.
- 12.9. If there is any further increase in the grants advised when allocations are published for 2021/22 these will be considered in line with any associated guidance. If there are further conditions, such as a requirement to meet further agenda for change cost pressures, we will discuss if these are best et through the shared service and therefore whether a costed proportion of any increase would then be added to the shared service budget. Where this is not required the local authorities may determine whether to retain or pass on this increase. The whole public health grant, including all retained elements must be spent in line with the conditions on the public health grant

Drugs and Alcohol strategy

- 12.7 Following LGR, both Councils adopted the pre-existing Bournemouth, Poole and Dorset Alcohol and Drugs Strategy 2016-2020. As a result of the ongoing additional pressures from pandemic response work on commissioners who would normally lead the development of a strategy, as well as to the wider system who are crucial to the development and success of any strategy, the work to develop a new strategy or strategies has not been progressed. The recommendation is that the current strategy is extended for at least a further year.

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

2020/21	Budget 2020-2021	Forecast outturn 2020-2021	Forecast over/underspend 2020/21
Public Health Function			
Clinical Treatment Services	£11,859,000	£11,013,793	£845,207
Early Intervention 0-19	£11,185,000	£11,382,000	-£197,000
Health Improvement	£2,648,000	£1,801,788	£846,212
Health Protection	£35,500	£77,280	-£41,780
Public Health Intelligence	£180,000	£144,674	-£35,326
Resilience and Inequalities	£314,100	£168,907	£145,193
Public Health Team	£2,527,000	£2,771,301	-£244,301
Total	£28,748,600	£27,359,742	£1,388,858

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. Public Health Reserves

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

Appendix 2. Financial contributions to shared service 2021/22

Table 1. Proposed Partner contributions 21/22

2021/22	BCP	Dorset	Total
	£	£	£
Assumed 2021/22 Grant Allocation	19,765,800	14,072,300	33,838,100
Proposed shared service budget 2021/22			-28,132,500
Less retained amounts 2020/21	-4,472,100	-617,400	-5,089,500
Additional revenue retained amount 2021/22*	-327,765	-288,335	-616,100
Total retained amount 2021/22	-4,799,865	-905,735	-5,705,600
Joint Service Partner Contributions	14,965,935	13,166,565	28,132,500
Non-recurrent offset of contributions by anticipated 2020/21 underspend*	-532,000	-468,000	-1,000,000
Offset Joint Service Partner Contributions	14,433,935	12,698,565	

**Percentage split based on current share of contributions (BCP 53%, DC 47%)*