



JOINT PUBLIC HEALTH BOARD

Financial Report

Date of Meeting: 25 November 2019

Portfolio Holder: Councillor Laura Miller, Lead Member for Adult Social Care and Health, Dorset Council,
Councillor Lesley Dedman, Lead Member for Adult Social Care and Health, BCP Council

Local Member(s):

Director: Chief Financial Officer and Director of Public Health

Executive Summary:

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.

The report includes forecast outturn for 2019/20, which shows a £351k underspend. Following agreement at last Joint Public Health Board information is also included on the retained elements of the ring-fenced grant.

The Spending Round 2019 announced a real terms increase for public health in 2020/21. It is unclear at this stage whether or how this will be distributed to local authorities. We anticipate further detail in late December/early January, but until then are working in the basis of the same grants and shared service budget as 19/20.

Equalities Impact Assessment:

This is a monitoring report therefore EqIA is not applicable.

Budget:

Failure to manage within the shared service budget would put future delivery by the shared service at risk. As the shared service budget is made up of contributions from each local authority from the public health grant, closely monitored by Public Health England, failure to manage the shared service budget and retained amounts in line with grant also impacts on reserves and general balances of the two local authorities, with knock-on effects for their Medium Term Financial Plans. This report therefore provides assurance as to current shared service budget position and use of elements retained by each local authority.

Risk Assessment: Having considered the risks associated with this decision, the level of risk has been identified as: Current Risk: MEDIUM Residual Risk LOW
Climate implications: None.
Other Implications: See report
Recommendation: The Joint Board is asked to consider the information in this report and to note: <ul style="list-style-type: none">• the shared service 19/20 forecast outturn• use of retained elements in each local authority• update on 2020/21 grant allocation• Proposed use of reserves and or underspend in line with prevention at scale and other priorities.
Reason for Recommendation: Close monitoring of the budget position is an essential requirement to ensure that money and resources are used efficiently and effectively.
Appendices: Appendix 1: Tables for finance report November 2019
Background Papers: Previous finance reports to Board
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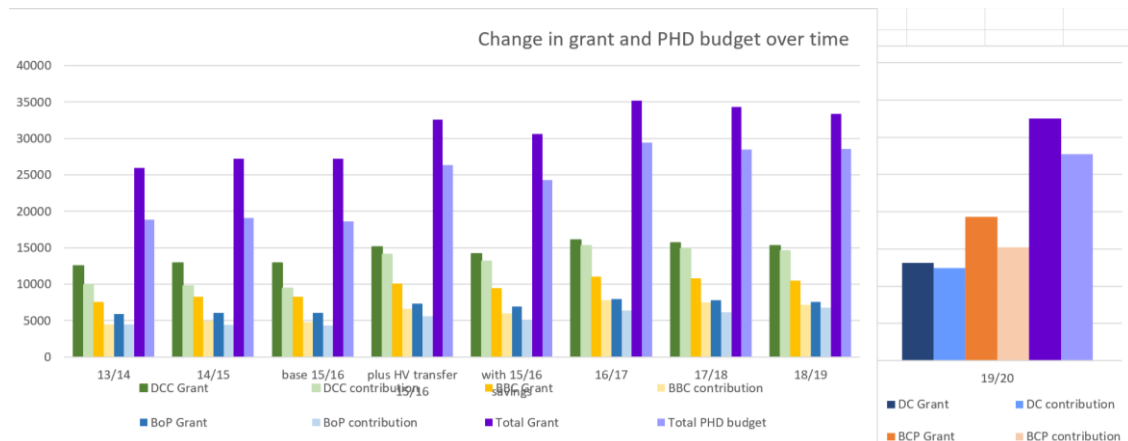
1. Background

- 1.1 Public Health Dorset (PHD) is a shared service across the two councils. Each council receives a ring-fenced grant for public health from the Department of Health and Social Care (DHSC), of which the majority is passed through to PHD. PHD have also returned significant savings to the previous councils, Borough of Poole, Bournemouth Borough Council, and Dorset County Council. The ring-fence grant conditions apply to the whole public health grant, including retained and returned elements. Retained elements were initially primarily for drug and alcohol services, and the Board previously agreed that returned savings should be used for early intervention and health protection interventions.

- 1.2 The shared services arrangement was set up in response to the Health and Social Care Act 2012, when significant responsibilities for public health were transferred to local councils from the NHS. Since 2013 PHD have also taken on responsibility for Health Visiting services, which moved to local authorities in October 2015, and additional responsibilities for commissioning drug and alcohol services from each local authority in 2015 and again in 2017.

2. PHD Budget and Forecast Outturn 2019/20

- 2.1 The opening revenue budget for Public Health Dorset in 2019/20 was £27,705k. This was based on a Grant Allocation of £32,525k, a further reduction in the grant allocation and anticipated retained amounts in line with previous years. The grant allocation, and shared service budget contributions have reduced each year since 2015/16, although this is masked by the changes in commissioning responsibility outlined in 1.2 above.



- 2.2 There has been movement into the budget (under health improvement) of £108k from Prevention at Scale reserves for a project to test ways to embed smoking cessation services within our drug and alcohol treatment services. This recognises that these patients are more likely to smoke than the general population, but that they may be less likely to engage with our usual services.
- 2.3 In 2018/19 PHD also gave back planned underspend. Together with the move to new authorities this created confusion in planning for 19/20 as BCP understood this to be part of their retained amount rather than a non-recurrent disbursement. Recognising commitments and cost pressures within the council there has been further discussion and realignment of how the retained element is used, agreement that part of the shared service contribution shortfall will be met through the BCP ring-fenced public health reserve, and the remaining shortfall either absorbed through underspend, or if required managed through PHD reserves for this year.
- 2.4 Together this means we now have a budget of £27.716M. Within the different budgets there has been a shift with the BCP shortfall being picked up on our team budget creating an apparent overspend here.

2.5 The current forecast shows a predicted underspend of £351k. Detail of the forecast is set out in Appendix 1, table 1. This is based on the following assumptions/issues:

- Health Checks forecast is based on Q1 data with small uplift each following quarter. Depending on Q2 figures and impact of communications campaign this could rise more significantly.
- For other health improvement cost and volume contracts forecasts have been modelled on a combination of Q1 data and previous year activity. We will continue to monitor whether the change to AQP has had significant impact as Q2 data is submitted.
- Change from voucher system to activity based payment in community weight management services that means better alignment of costs with activity.
- Changes in smoking models that have generated some savings.
- Inpatient detoxification activity is forecast to continue at current levels. We have seen significant volatility within this area in the last year, so this could change.
- Additional prescribing and dispensing costs within drug and alcohol treatment services are included in forecast. This relates to the cost of buprenorphine (used for opiate substitution therapy) which increased nine-fold during 2018/19, increased numbers of patients within the system, particularly in Bournemouth, and improved understanding of dispensing costs.
- Reduced prescribing costs of long-acting reversible contraception (LARC), following further shift in new models of supply.

3. Retained Bournemouth, Christchurch and Poole council grant

3.1 BCP council receives a ring-fenced public health grant of £19.353M. Most of this contributes to the shared service, however £4.355M will be retained for use within the council in 2019/20, compared to previously reported £4,203M. The public health conditions apply equally to the whole grant.

3.2 Within BCP council this is set against the following budget areas in the medium-term financial plan:

- Drugs and alcohol services for adults and children (£1.829M). This spend is predominantly within the previous Bournemouth Borough Council area, as PHD currently has responsibility for all of the Christchurch drugs and alcohol services and the majority of those in Poole. There are cost pressures within this area currently.
- Children's centres (£2.474M) and early intervention around 'adolescent risk' agenda (£20k). The Family Support and Early Help Strategy is due to be discussed at BCP Cabinet on 11 December, which will inform future plans in this area. Currently forecast to spend in full in 19/20.

- The Christchurch retained element of £32k is used for £20k Childrens' services and £12k Community Safety.

4. Retained Dorset Council ring-fenced grant.

- 4.1 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.
- 4.2 Within Dorset Council this is set against the following budget areas:
- Community safety (£150k). This supports the Dorset Council Community Safety team, including some of the work that they deliver on behalf of both councils.
 - Community development work (£353k). 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 work through HomeStart.

5. Reserve position and PAS plans

- 5.1 The current reserve included £791k committed to PAS as at 31 March 2019. Part of the 19/20 business planning was consideration of how we use this part of the reserve. These plans are already reflected within forecasts and movement out of the reserve. We therefore still have £617k committed to PAS within the reserve.
- 5.2 As we review the business plan and begin to look ahead to 20/21 the following principles for use of the PAS reserve are being considered:
- Ensuring completion/sustainability of current projects beyond non-recurrent funding
 - Invest to save projects such as proposed investments in tobacco control for vulnerable groups, including e-cigarettes (£180k)
 - Further enhancements to the digital LiveWell Dorset offer that can increase reach and the number supported – (£150k)
 - Emerging priorities for public health support in both Councils in-year – for example, supporting the suicide prevention work – (£50k).
- 5.3 Good practice would suggest that the shared service maintains reserves for earmarked purposes (as per the PAS commitments), with £0.5M to provide in-year contingency to cover unforeseen costs if required, recognising that these are ring-fenced reserves. Use of the remaining uncommitted £437k in reserves should therefore also be considered.

6. 20/21 position

- 6.1 The Spending Round 2019 announced a real-terms increase to the Public Health Grant budget, which will ensure local authorities can continue to provide prevention and public health interventions.
- 6.2 No further details are available at this stage, and we expect that the general election on 12 December will mean further delay, with budget details unlikely before January.
- 6.3 Once detail is available, as part of planning for next year, there will be further discussion on the retained BCP element to ensure clarity at the start of the year.

7. Conclusion

- 4.1 The Joint Board is asked to consider the information in this report and to note:
- the shared service 19/20 forecast outturn
 - use of retained elements in each local authority
 - update on 2020/21 grant allocation.
- 4.2 The Joint Public Health Board is also asked to agree the proposed use of reserves allocated to Prevention at Scale under paragraph 5.2.

Appendix 1. Tables for finance report November 2019

Table 1. 19/20 Forecast Outturn

2018/19	Budget 2019-20	Outturn 2019-2020	Over/underspend 2019/20
Public Health Function			
Clinical Treatment Services	£11,208,000	£11,206,932	£1,068
Early Intervention 0-19	£11,104,000	£11,074,915	£29,085
Health Improvement	£2,771,000	£2,169,569	£601,431
Health Protection	£57,000	£23,380	£33,620
Public Health Intelligence	£147,800	£154,034	-£6,234
Resilience and Inequalities	£190,300	£415,488	-£225,188
Public Health Team	£2,238,200	£2,320,799	-£82,599
Total	£27,716,300	£27,365,117	£351,183

Table 2. 2019/20 partner contributions

	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 PH ring-fenced reserve	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
Provisional Budget 2019/20			£27,716,300

Table 3. Public Health reserve

Public Health Reserve	£
Opening balance 1/4/2019	1,784,000
PH Dorset commitment to STP/PAS costs	791,000
STP/PAS transfer from reserves – Healthy Homes	-66,000
STP/PAS transfer from reserves – Smoking transfer	-108,000
Balance of PH Dorset commitment to STP/PAS costs	617,000
Balance uncommitted in reserve	993,000