

Joint Public Health Board

20 May 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:

- Support the recommendation in 4.2 around governance of decision making for drug and alcohol services, and monitoring of performance
- approve Appendix 2, which will form an updated financial annex to the shared services partnership agreement for 2021/22 and gives a budget for the shared service of £25.036M
- approve an extension of the current REACH contract for a further year until the end of October 2023

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 2020 meeting the Board approved a continued shared service partnership agreement, and a financial annex was agreed at the February 2021 meeting, setting out the agreed contributions to the public health service. On 16 March the public health allocations were published, resulting in a change to the grants and hence the contributions.

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 final outturn for the Public Health Dorset 20/21 budget, after £1M was returned to local authorities in 2020/21, was £27.742M, against a budget of £28.748M. Reserves now stand at £1.940M. More detail can be seen in the report and appendix 1.
- 1.3. Grant allocations for public health were published 16 March and included an uplift. This provided the opportunity to meet the original commitment of £1M to be retained by Councils in 2021/22 for investment in public health outside of the shared service. Agreement has also been reached on the financial impact of the shift of BCP drug and alcohol contracts. This means a change in the recommended contributions for each local authority, which are set out in Appendix 2 for approval. This will form the revised financial annex to the shared service partnership agreement for 2021/22. The public health ring-fenced conditions apply equally to these elements of the grant and the use of the Grant in each council outside of the shared service will continue to be monitored through the JPHB.
- 1.4. The opening revenue budget for Public Health Dorset in 21/22 is £25.036M. There will continue to be COVID-19 impacts throughout 21/22, with financial impacts remaining hard to gauge, however a first provisional forecast is included in appendix 1 and shows a potential overspend.
- 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 and Contain Outbreak Management Fund (COMF) to support these plans are overseen by each local authority. Some of the additional costs to the

shared service in supporting this work are met through these additional funds.

- 1.6. The current contract with REACH for the Dorset Council area is due to expire at the end of October 2022. Taking the current context and advice from procurement into account it is recommended that this is extended to the end of October 2023.

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 delivers mandated public health functions on behalf of both Dorset Council and BCP Council. With the novation of contracts for drug and alcohol services back to BCP Council there is a need to agree how the governance of those public health functions that are not shared is managed.
- 4.2. The recommendation following discussion between officers in Public Health Dorset and BCP Council is that member-led decision making about drug and alcohol services is picked up by the relevant committees within each of the two local authorities, but that the Joint Public Health Board continues to receive a performance report for drug and alcohol services in both Dorset Council and BCP Council at every other meeting as it has done for some time. This will enable the Director of Public Health and Board to be assured about the performance of services, in line with the statutory responsibility.

5. Risk Assessment

- 5.1. Having considered the risks associated with this financial monitoring, the level of risk has been identified as:

Current Risk: MEDIUM
Residual Risk: MEDIUM

6. Equalities Impact Assessment

- 6.1. This is a monitoring report therefore EqIA is not applicable.

7. Appendices

Appendix 1. Finance Tables May 2021

Appendix 2. Amended Financial contributions to shared service 21/22

8. Background Papers

Previous finance reports to the Board

[Public health grants to local authorities: 2021 to 2022 - GOV.UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92122/public-health-grants-to-local-authorities-2021-to-2022.pdf)

[www.gov.uk](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92122/public-health-grants-to-local-authorities-2021-to-2022.pdf)), published 16 March 2021

[Shared Service Partnership agreement November 2020](#)

9. Final Out-turn 20/21 Public Health Dorset Budget

- 9.1. The public health grant for 2020/21 for BCP council was £19.766M and for Dorset council was £14.072M. Agreed local authority contributions for 2020/21 gave a shared service budget of £28.748M.

- 9.2. Final outturn was £27.742M, after £1M of anticipated underspend was returned to local authorities in 2020/21. The remaining £1M underspend has been added to reserves.

- 9.3. COVID-19 meant it was difficult to provide an accurate forecast through the year. Changes in the outturn compared to previous forecast reflect:
- Very limited recovery of activity within our community health improvement services
 - Greater pick up of additional public health team COVID response costs through COMF funding
 - Some additional costs around mental health support to the Dorset system.

10. Reserve position

- 10.1. The overall reserve position now stands at £1.940M. This is made up of £443k PAS committed reserves and £1.497M uncommitted reserves.
- 10.2. Indicative plans for the PAS reserves were agreed in 19/20 for delivery as part of the Public Health Dorset 2020/21 business plan. However, due to the impact of COVID these plans progressed more slowly and were funded through underspends in related budgets. An initial estimate of costs has been included within the forecast without draw down of reserves at this stage for.
- Work on tobacco control for vulnerable groups, including e-cigarettes

- Digital enhancements to the Health Improvement offer
 - Suicide prevention work.
- 10.3. At the last Board meeting there was agreement that around £340k of uncommitted reserves could be used for kick-starting our Community Health Improvement services post-COVID. Work continues to understand most appropriate timing and use of these funds as well as original PAS plans.
- 10.4. Current understanding of the additional Contain Outbreak Management Funding is that this must be spent within 21/22. However, some of the additional costs within the team that are currently funded through the COMF may need to continue into 22/23. The uncommitted reserves will provide a contingency to cover any ongoing spend in 22/23, more information will be provided as the likely impact becomes clear.

11. 21/22 Grant Allocation and Public Health Dorset Budget

- 11.1. Grant allocations for public health in 21/22 were published on 16 March and showed an uplift to each local authority, in part to cover costs of PrEP (pre-exposure prophylaxis treatment for HIV) funding within sexual health services. The grant for BCP is £20.053M, an uplift of £287k, and for DC is £14.214M, an uplift of £142k.
- 11.2. The impact of the move of BCP drug and alcohol contracts to BCP as the sole commissioner has been agreed, and results in a reduction in the BCP contribution to Public Health Dorset of £3.140M.
- 11.3. Together these changes mean that the financial annex to the shared service partnership agreement needed to be revised. This also provided the opportunity to meet the original commitment in both Council Medium Term Financial Plans of £1M to be retained by Councils for investment in public health outside of the shared service, rather than the £616k agreed at the last Board. The recommended contributions for each local authority are set out in Appendix 2, which will form the revised financial annex to the shared service partnership agreement for 2021/22.
- 11.4. This provides an opening budget for the shared service of £25.037M. Budgets have been changed to reflect:
- Clinical Treatment Services - changes in D& A commissioning, agenda for change impacts
 - Early Intervention 0-19 - agenda for change impacts
 - Health Improvement - small changes due to weight management changes, plus an income target for work with external organisations
 - Health Protection - unchanged

- Public Health Intelligence - baseline budget, assumption any additional project work will be met through income (e.g. COMF)
 - Resilience and Inequalities - baseline budget, assume any additional project work will be met through PAS reserves or other income
 - Public Health Team - includes a balancing figure to ensure overall budget matches the shared service budget (around -£500k).
- 11.5. Initial forecasts indicate there may be potential risk of an overspend. This assumes:
- a return to 19/20 activity levels for most activity-based contracts
 - NHS Health Checks spend approx. £250k
 - full year effect of national Agenda for Change pay agreements from 20/21
 - spend on PrEP as additional cost within Sexual Health contract
 - ongoing team costs due to COVID response – work continues to separate these out where possible so that they can be met through COMF funding.

Extension to the REACH drug and alcohol service contract

- 11.6. The current contract with REACH for all age drug and alcohol services for Dorset has been in place since November 2017 and the contract is due to expire at the end of October 2022. In planning for recommissioning, the following factors have been considered:
- the service offer continues to be disrupted by the pandemic because of the limitations on providing face to face appointments
 - separate grant money received from PHE to each local authority focuses on improving outcomes for those who are homeless and those within the criminal justice system, and is being invested in the REACH service for project work this year
 - the performance of the current contract is good, with no immediate cost pressures
 - there are planned national changes to procurement law in relation to health services as part of the creation of Integrated Care Systems. To date it is not clear whether this will also apply to health services commissioned by local authorities from non-NHS providers
 - any recommissioning exercise has a significant impact on the service and the staff working within the service due to the uncertainties it generates.
- 11.7. Having considered the above context and discussed with procurement colleagues, Public Health Dorset recommends an extension to the existing

contract for a further year until the end of October 2023. This would provide ongoing stability for the service which we believe is in the best interests of service users particularly given the disruptions of the last year and will allow the service to focus on the effective delivery of the anticipated service improvements funded through the additional grant money.

12. Grant allocation retained by the Local Authorities 21/22

- 12.1. 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.
- 12.2. BCP council will retain £8.112M in 21/22. Based on their use of retained grant in 20/21 and the shift in drugs and alcohol contracts, this will be set against the following budget areas in their medium-term financial plan:
- Drugs and alcohol services for adults and children (£4.981M). This now covers the whole of BCP drug and alcohol commissioning.
 - 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).
 - Additional £500k recurrent, use still to be determined.
- 12.3. Dorset Council will retain £1.117M in 21/22. Within Dorset Council this is set against the following budget areas
- 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.
 - Additional £500k recurrent, use is still to be determined.

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 May 2021

Table 1. 20/21 Final Outturn

2020/21	Budget 2020-2021	Outturn 2020-2021	Over/underspend 2020/21
Public Health Function			
Clinical Treatment Services	£11,859,000	£10,831,738	£1,027,262
Early Intervention 0-19	£11,185,000	£11,164,000	£21,000
Health Improvement	£2,646,703	£1,689,359	£957,344
Health Protection	£35,500	£58,812	-£23,312
Public Health Intelligence	£180,000	£143,524	£36,477
Resilience and Inequalities	£313,368	£225,203	£88,165
Public Health Team	£2,553,425	£2,630,127	-£76,702
Underspend to BCP		£532,000	-£532,000
Underpsend to DC		£468,000	-£468,000
Total	£28,772,996	£27,742,762	£1,030,234

Table 2. Public Health Reserves

Opening balance at 1st April 2020	£910,600
Underspend at 31st March 2021	£1,030,234
Total amount in reserve at 31st March 2021	£1,940,834
Public Health Dorset commitment to STP/PAS costs	£443,000
Uncommitted amount in reserve at 1st April 2021	£1,497,834
Total	£1,940,834

Table 3. Opening budget and provisional forecast 2021/22

2021/22	Budget 2021-2022	Forecast outturn 2021-2022	Forecast over/underspend 2021/22
Public Health Function			
Clinical Treatment Services	£8,929,500	£8,888,411	£41,089
Early Intervention 0-19	£11,248,000	£11,288,000	-£40,000
Health Improvement	£2,515,000	£2,251,050	£263,950
Health Protection	£35,500	£62,260	-£26,760
Public Health Intelligence	£120,000	£97,700	£22,300
Resilience and Inequalities	£80,000	£23,070	£56,930
Public Health Team	£2,108,891	£2,986,733	-£841,374
Total	£25,036,891	£25,597,224	-£523,865

Appendix 2. Financial contributions to shared service 2021/22

Table 1. Proposed Partner contributions 21/22

2021/22	BCP	Dorset	Total
	£	£	£
2021/22 Grant Allocation	20,052,506	14,214,073	34,266,579
Less retained amounts			
-historic (20/21)	-4,472,100	-617,400	-5,089,500
- BCP drug and alcohol shift	-3,140,188		-3,140,188
-MTFP commitment	-500,000	-500,000	-1,000,000
Joint Service Budget Partner Contributions	11,940,218	13,596,673	25,036,891
Public Health Dorset Budget 2021/22			£25,036,891