

Joint Public Health Board

16 February 2022

Finance Update

Choose an item.

Portfolio Holder: Cllr P Wharf, Adult Social Care and Health, Dorset Council
Cllr M Iyengar, Tourism and Active 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:

- 1) note the current forecast position of the shared service
- 2) approve use of the underspend as set out in section 10.4.
- 3) note the current position for the retained portions of the grant and the audit report for Dorset council
- 4) note the publication of 2022/23 grant allocations for the councils on 7 February
- 5) consider options for the 2022/23 uplift and implications for shared service budget in 2022/23 as set out in section 12
- 6) approve final contributions for financial annexe for 2022/23 dependent on option selected.

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.

Monitoring spend against the grant 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 21/22 was £25.036M. This is based on a combined Grant Allocation of £34.267M. Current forecast outturn is £453K underspend, with more detail set out in section 10 below and appendix 1. It is proposed the underspend is used to address two specific areas.
- 1.3 Each local authority retains a portion of the grant to deliver other services with public health impact. 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. Planned spend on these elements, including the additional £500k retained by each local authority in 21/22, is set out in section 11 below, and shows that overall, both BCP and DC are forecasting break even on their retained grant. There is reasonable assurance on governance of the Dorset Council retained portions of the public health grant (appendix 2) and similar work is planned in BCP.
- 1.4 Plans in support of COVID-19 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.
- 1.5 Grant allocations for public health in 22/23 were published on 7 February. The combined Grant Allocation of £35.229M shows an increase of £962k, or 2.81%. A key principle is that as a minimum both local authorities will continue with their current contributions. Options for use of the combined £962k uplift are set out in section 12 for discussion, which will inform the final version of the financial annex to the shared service agreement for 22/23.

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. A background briefing paper on development of the shared service model and changes in funding over time is included at appendix 3. Financial implications are covered throughout this paper

3 Wellbeing and health implications

- 3.1 The work of Public Health Dorset and the local authorities supported by the public health grant will have wide-ranging health and wellbeing implications. Any specific implications are highlighted where relevant in the report.

4 Climate implications

- 4.1 Public Health Dorset and the public health grant support a range of work that will have impacts on climate change, however there are no specific implications identified in this report.

5 Other Implications

- 5.1 None identified in this paper.

6 Risk Assessment

- 6.1 Having considered the risks associated with this financial monitoring, the level of risk has been identified as:
Current Risk: MEDIUM
Residual Risk: LOW

7 Equalities Impact Assessment

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

8 Appendices

Appendix 1. Finance Tables January 2022
Appendix 2 Dorset Council audit report
Appendix 3 Finance briefing

9 Background Papers

Previous finance reports to the Board
[Public health grants to local authorities: 2021 to 2022 - GOV.UK \(www.gov.uk\)](#), published 16 March 2021
[Shared Service Partnership agreement November 2020](#)
[Shared Service finance appendix May 2021](#)
[Spending Review 2021](#)

10 21/22 shared service budget

- 10.1 The Board agreed contributions from each local authority in May 2021, shown in table 1 in appendix 1. This gives a 21/22 opening revenue budget for Public Health Dorset of £25.036M.
- 10.2 The current forecast outturn is £453K underspend, with detail set out in table 2, appendix 1. Assumptions around our activity-based services and key changes since the last provisional forecast shared with the Board in November include:
- increase in potential commitments for inpatient detoxification or rehabilitation
 - further adjustments in team costs, although most interim additional costs are set against Contain Outbreak Management Funds in each council
 - updated forecasts for our activity-based long-acting contraception, supervised consumption and needle exchange, and smoking cessation services
 - continued expectation of minimal spend on NHS Health Checks during 21/22 as these remain paused and a national review is ongoing
 - not able to progress oral health survey
 - additional support around suicide prevention.
- 10.3 Maximising our Community Health Improvement services currently remains challenging. There are ongoing capacity issues due to COVID within Public Health Dorset and our usual providers. There are also an increasing number of similar offers being made through other routes, such as national NHS initiatives. We could still see further changes in demand for these services before the end of the year, therefore our forecast could change further.
- 10.4 Discussions are underway to consider most effective use of any underspend. As funds are non-recurrent it is proposed that only short-term, non-recurrent ideas are considered. If these are not agreed by the end of the financial year it is proposed money should be returned to public health reserves and consideration given to how these are used together in 22/23. Current proposals are:
- Safeguarding Children and Young People – transferring specific responsibilities for Safeguarding to frontline Children and Young People's Public Health teams, along with increasing needs from the impact of Covid-19 on families, is placing considerable pressure, specifically on school aged 5-19 (School Nursing) teams, to match

demand. To be able to deliver both the mandatory *Universal* public health offers *and* meet rising demand, it is proposed to resource additional capacity, short-term. A sustainable model to meet demand and capacity will be scoped working within local partnerships and prioritising need.

- Place-based prevention initiatives – as the Integrated Care System becomes established with more clearly defined functions within place-based partnerships, previous Prevention at Scale reserves and current underspend could provide development funds to support the prevention element of this work.

11 Grant allocation retained by the Local Authorities 21/22

11.1 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. Both council audit programmes are looking at the assurances in place around these elements of the grant during 2021/22.

11.2 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 (£5.001M). This now covers the whole of BCP drug and alcohol commissioning.
- Children's centres and early help (£2.994M).
- A central overheads element – (£117k, 2.7% of total retained grant).

11.3 The BCP audit of their retained public health allocation is planned to take place in Q4 of 21/22.

11.4 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).

- Support for homelessness (£104K). Funding towards the Winter Shelter project (Safe Sleep) in Weymouth to take in rough sleepers during cold weather, and to prevent harm (and potentially death) from sleeping out in freezing temperatures and support and management of the Portland Youth Hostel (known as Hardy House) to house people who have previously been sleeping rough.
 - Prevention contracts (£185k). Support through the Lantern and Shelter Housing to support people with complex needs supporting Mental Health and Wellbeing, working closely with Community Mental Health Teams with substance misuse and to maintain Housing support.
 - Additional resource (£179.4k) to support substance misuse and recovery, suicide prevention and self-harm reduction, accidents prevention, general prevention, infectious disease surveillance and control.
 - A central overheads element – (£31.5k, 2.7% of total retained grant).
- 11.5 The Dorset council audit of the retained portions of the public health grant allocation has been completed. The final report shows reasonable assurance and makes some suggestions for improvement. The report is attached as appendix 2.
- 11.6 Both councils are currently forecasting breakeven against these retained elements.

12 Look forward to 2022/23

- 12.1 Grant allocations for public health in 2022/23 were published on 7 February, and as advised by the Spending Review 2021, there has been an uplift. In 2022/23 BCP council will receive £20.616M, a £563k increase and Dorset council £14.613M, a £399k increase. The Public Health Grant allocation letter makes clear that the funding for the HIV prevention drug Pre-Exposure Prophylaxis (PrEP) is embedded within the Public Health Grant baseline, and that the grant will need to cover all pay pressures for 2022/23 including the impact of NHS pay settlements managed through business as usual arrangements within individual contracts.
- 12.2 In developing the financial annex for 2022/23, a key principle is that each local authority continues to retain at least the same amount and the shared service continues to receive at a minimum the same level of contribution from each local authority as in 21/22. Additional considerations are set out below, to inform two potential options

- 12.3 Based on historic outturn, 21/22 forecast, and anticipated upcoming cost pressures, and assuming return to usual activity for all activity-based contracts, we have developed an outline budget for the shared service for 22/23. This would see as a minimum:
- An increase of £220k on general operating costs and team costs, this would cover inflation, changes due to redesign of the team, potential 22/23 pay award and historic pay awards since 2017/18 which have not been covered within budgets previously.
 - An increase within Health Improvement - £110k to support breastfeeding peer support and consolidation of current LiveWell Dorset services
 - A £25k increase in Health Protection to cover existing commitments
 - For Public Health Intelligence a £30k increase to enable commissioning of an oral health survey in line with the national programme.
- 12.4 This minimum outline budget could be achieved with an additional £383k into the shared service. Based on published allocations, this would equate to 40% of the uplift for each local authority being passed through to the shared service.
- 12.5 There is also potential to expand some areas of work within the team to support developments that could reduce or prevent future costs pressures within the councils and potentially reduce costs in the short to medium term. Two key areas would be:
- Early Intervention 0-19; through the CYPPHS Annual Conversation with partners, opportunities have been identified including; developing a strong social marketing / insights informed communications plan which underpins key health and wellbeing messages; evidence based public health workforce development including building capacity and skills in unqualified staff e.g. nursery nurses to underpin health improvement and behaviour change with children, young people and families; and support for the Pause approach to vulnerable women who have their children removed into care. Investment has positive cost avoidance / benefits and will improve earlier outcomes thus reducing demand.
 - LiveWell Dorset (Health Improvement). Stopping smoking, losing weight, being more physically active and drinking less alcohol all bring health benefits and will also bring savings to the NHS and social care. Estimates based on the Action on Smoking and Health calculator released March 2021 suggest in 2021 smoking will cost BCP council £7.8M and Dorset council £8.7M. Expanding our high quality behaviour change support through this integrated health improvement service,

will help mitigate against future increased pressure within our local social care services.

12.6 These developments would require the shared service receive a greater share of the uplift. Both councils currently have achieved balanced budgets for 2022/23 but will face budget challenges for 2023/24. The proposal is that both local authorities pass through 60% of their uplift to enable these developments and retain 40% for use within councils. Based on published allocations this would allow around £130k investment into 0-19 early intervention work and £65k investment into LiveWell Dorset.

12.7 Finally, changes in the national public health landscape as well as the establishment of the Integrated Care system may place additional requirements on the team. As we continue to work through our business plan for 22/23 and map capacity against this, the implications should become clearer. Areas where we may need to see more focus and therefore more capacity are:

- COVID work – currently we have extensive additional support funded through COMF monies. It is unclear how long and to what level we will need to continue to support this work, and whether further COMF funds will be available in 2022/23. We have confirmation that 2021/22 COMF monies can continue to be used into 2022/23 where appropriate, which will minimise the risk from existing interim posts unless they need to be extended.
- Wider health protection work – ways of working with UKHSA are in their infancy and have been focused on COVID to date. There is a risk that councils may be expected to pick up additional health protection functions for which we are not resourced.
- ICS development – there is clearly a role for public health within the ICS, but the extent of this is still unclear and will depend on how the system develops and how councils see their role within the ICS.

12.8 As these areas remain unclear, the intention is to use reserves as contingency to cover these risks.

12.9 Based on the above discussion, two options are proposed for consideration, with contributions for the different options set out in tables 3a and 3b in appendix 1:

- Option 1: 40% share of uplift to the shared service with 60% retained by councils. The shared service budget for 2022/23 would be £25.422M, with BCP retaining £8.450M (an additional £338k) and Dorset council £1.357M (an additional £240k).

- Option 2: 60% share of uplift to the shares service with 40% retained by councils. The shared service budget for 2022/23 would be £25.614M, with BCP council retaining £8.338M (an additional £225k) and Dorset council £1.277M (an additional £160k).

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 January 2022

Table 1. Agreed 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	-8,112,288	-1,117,400	-9,229,688
Joint Service Budget Partner Contributions	11,940,218	13,096,673	25,036,891
Public Health Dorset Budget 2021/22			£25,036,891

Table 2. Opening budget and forecast outturn 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	£8,838,611	£90,889
Early Intervention 0-19	£11,248,000	£11,291,000	-£43,000
Health Improvement	£2,503,043	£1,749,464	£753,579
Health Protection	£35,500	£60,642	-£25,142
Public Health Intelligence	£120,000	£97,700	£22,300
Resilience and Inequalities	£80,000	£63,935	£16,065
Public Health Team	£2,120,848	£2,482,615	-£361,767
Total	£25,036,891	£24,583,967	£452,924

Table 3a. Option 1 Partner contributions 22/23 (40% uplift to shared service)

2022/23	BCP	Dorset	Total
	£	£	£
2022/23 Grant Allocation	20,615,825	14,613,377	35,229,202
Less retained amounts	-8,450,279	-1,356,982	-9,807,262
Joint Service Budget Partner Contributions	12,165,546	13,256,395	25,421,940
Public Health Dorset Budget 2022/23			£25,421,940

Table 3b. Option 2 Partner contributions 22/23 (60% uplift to shared service)

2022/23	BCP	Dorset	Total
	£	£	£
2022/23 Grant Allocation	20,615,825	14,613,377	35,229,202
Less retained amounts	-8,337,616	-1,277,122	-9,614,737
Joint Service Budget Partner Contributions	12,278,209	13,336,255	25,614,465
Public Health Dorset Budget 2022/23			£25,614,465