

Joint Public Health Board

16 February 2023

Finance Update

For Decision

Portfolio Holder: Cllr P Wharf, Adult Social Care and Health, Dorset Council
Cllr J Kelly, Communities, Health and Leisure,
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

Brief Summary:

This report provides a regular update on the use of each council's ring-fenced public health grant. It covers the budget for the shared service Public Health Dorset and the grant kept by each council to use.

The opening revenue budget for Public Health Dorset in 22/23 was £25.615M.

The current forecast out turn is £537k underspend.

In 22/23 BCP kept £8.338M of their grant, and DC kept £1.277M. Although there is some underspend this will be redirected to other relevant areas within the council, and both expect to spend to budget.

Looking forward to 23/24, the public health allocations are not yet published. Our current assumption is that the grant to each local authority will stay the same.

This will mean that the opening budget for the shared service in 23/24 will again be £25.615M. The Board is asked to consider options in case the grant increases.

The shared service public health reserve was £2.647M on 1 April 2022. The uncommitted funds have now been returned to councils as agreed at the last Board. Non-recurrent work has been agreed over the next three years that is in line with agreed commitments and principles. Where possible underspend will be used first.

Recommendation:

The Joint Public Health Board is asked to:

- 1) note the 2022/23 shared service forecast out turn of £537k underspend, and the break-even position for the grant kept by each council in 22/23.
- 2) note the current assumptions that give a 23/24 opening revenue budget for Public Health Dorset of £25.615M.
- 3) agree the recommended approach to any increase in the public health grants when published.
- 4) agree the recommendation to delegate authority to the Director of Public Health in consultation with the Portfolio Holder for Dorset Council and Portfolio Holder for BCP Council to deliver the agreed approach above.
- 5) note plans for the use of ring-fenced public health reserves over the next three years, in line with principles agreed at the November Board.

Reason for Recommendation:

There are conditions that set out how councils can use their public health grant. Each local authority Chief Executive or Section 151 Officer and the Director of Public Health must sign to say this has happened.

Public Health Dorset (PHD) is a shared service across Dorset Council and BCP Council. PHD delivers public health services on behalf of both councils. Each council also provides other services with public health impact. These may be different in the two councils. The councils pay into the shared service but may also use part of the grant to support the work in the council.

Monitoring how we spend the grant will help us to know if we are meeting the conditions. It will support better financial planning. It will also help us to be sure we use the grant in the best way to improve health and wellbeing outcomes.

1 2022/23 shared service forecast out turn

- 1.1 The Board agreed contributions from each local authority in February 2022, shown in appendix 2. This gave a 22/23 opening revenue budget for Public Health Dorset of £25.615M.
- 1.2 Our latest forecast suggests that we will see an underspend of £537k. This is more than reported at the last Board. Various factors contribute to this, and the main ones are set out below:
 - Clinical Treatment Services – additional grants cover some areas of spend. Activity appears to be slowing down in community contracts.
 - Early intervention – minor slippage in planned developments
 - Health Improvement – NHS Health Checks and adult obesity increased, but smoking cessation activity in the community decreased.

In LiveWell Dorset some operational costs have fallen. There has also been some slippage in planned developments.

- Health Protection and Healthy Places – some one-off schemes supported. These are in line with the principles agreed in November.
- Public Health Intelligence – no change
- Resilience and Inequalities – additional income from partners supports specific pieces of work. We also funded further one-off schemes to support communities and neighbourhoods.
- Public Health Team (and operational costs) - impact of the 22/23 local authority pay award is now clearer.

1.3 There is uncertainty that could lead to further changes in this forecast.

Issues include:

- Continued COVID impacts and use of Contain Outbreak Management Funds (COMF).
- Fluctuations in activity within community services. We saw changes during COVID in all our community services. For some services we expect this change to continue as the service model has changed. In other services we expected to see a return to similar levels as we saw pre-COVID. Activity has not always recovered as expected. This may be due to ongoing pressure on providers, so could change if this improves.
- Capacity to support some of the planned development work or one-off schemes. This is both internal capacity and/or capacity of partners. Again, if pressure across the system eases this could change.
- Additional income through a variety of routes.

2 Use of grant kept by the councils in 22/23

2.1 Each council keeps part of their grant to support other public health work in the council. The same conditions apply to funds kept by the council and paid into the shared service. The Joint Public Health Board monitors spend across the whole of the grant.

2.2 BCP Council kept £8.338M of their 22/23 grant. The drug and alcohol services are projected to underspend in the range of £300k compared to the initial budget intentions, this is due to some recruitment lag within the providers and other services i.e. needle exchange and supervised consumption still not at the level of pre Covid. BCP Council is planning to redirect this underspend to support additional expenditure in the childrens centres and early help services for this financial year. The revised forecast use of the BCP retained grant is as follows:

- Drugs and alcohol services for adults and children (£4.790M)
 - Children's centres and early help (£3.294M)
 - A central overheads element (£254k)
- 2.3 Dorset council kept £1.277M of their 22/23 grant. The community safety work is projected to underspend by up to £80k compared to initial budget assumptions. This is because of delays in recruitment to posts. Discussion is in progress to determine how to use this underspend, but it is expected this will all be spent in year. The revised forecast use is therefore:
- Community safety (£203k). The increase will support additional work around domestic abuse and violent crime, linked to new legislation.
 - Community development work (£333k).
 - Children's early intervention (£114k).
 - Prevention and support for adults with complex needs (£515k). This includes support for rough sleepers, those with mental health, substance misuse and housing needs, as well as suicide prevention and self-harm reduction.
 - A central overheads element – (£32k)
 - Potential underspend in discussion – £80k

3 Looking forward to 2023/24

- 3.1 Public Health allocations for 2023/24 were due in January but are not yet published. So, our current assumption is that:
- the grant to each local authority will stay the same as 2022/23
 - the contributions to the shared service from each local authority will not change (see 22/23 figures in appendix 2)
 - Public Health Dorset will have an opening revenue budget of £25.615M
- 3.2 There has been national discussion around a potential 1% uplift, but this is uncertain. This could equate to £206k increase for BCP council and £146k increase for Dorset council. When the Department for Health and Social Care publish the public health allocations, if there is an increase we can:
- (i) Assume that each council keeps their increase to use in line with grant conditions
 - (ii) Assume that each council passes through their increase to the shared service
 - (iii) Assume that each council keeps 50% of their increase and passes the other 50% through to the shared service
 - (iv) Ask each council to determine their own approach. This can take account of their individual financial positions.

- 3.3 Budget development work for the shared service for 23/24 followed the Dorset Council process. This suggested cost pressures of £1.2M. Balanced against this were potential savings of £1.2M.
- 3.4 Cost pressures included anticipated 23/24 pay award and increments for staff within the shared service, additional work in response to the Zero HIV policy and work around smoking in hospitals, plus potential cost pressures within existing contracts.
- 3.5 These are offset by anticipated income from partners, savings and efficiencies delivered through joining-up some of our intelligence tools and work with partners across the system, and an opening position that we will not provide uplifts on existing contracts.
- 3.6 Our main contracts account for a large proportion of spend. Regular contract management discussions include concerns about general inflation pressures and staffing costs. We moved some funding from activity or results-based elements into core contract values. There has been no uplift to total contract values.

4 Use of shared service reserve

- 4.1 The shared service public health reserve was £2.647M on 1 April 2022. At November's Board the return of uncommitted reserves, split £610k to BCP and of £548k to DC was agreed to take place in 2022/23.
- 4.2 The board already agreed commitments against the remaining reserve:
 - £97k of reserve for interim extra safeguarding capacity which has been used in 22/23
 - £443k for Prevention at Scale (PAS) projects
 - £340k for community health improvement services
 - £609k for place-based work
- 4.3 Recognising the current challenging financial landscape, PHD is working to principles agreed at the last Board in how it uses reserves. A range of non-recurrent work that meets these principles has now been agreed to utilise the PAS and CHIS kickstart reserves over the next 3 years. Where possible underspend will be used first – this may be dependent on timing.
- 4.4 Discussions for use of the place-based reserve work have also taken place and will be agreed through respective Health and Well-being Boards.

5 Financial Implications

- 5.1 The aim of the shared service model is to use money and resources in an efficient and effective way. The retained element of the grant allows flexibility for local priorities. The report covers financial implications throughout.

6 Wellbeing and health implications

- 6.1 The aim of Public Health Dorset is for all people in Dorset to live healthy and fulfilled lives for as long as possible, and disparities are minimal. The grant supports this work, and the report highlights specific implications where relevant.

7 Environmental implications

- 7.1 Public Health Dorset has a key domain of work around healthy places. This looks at how our built and natural environment can improve population health. This work may also impact on climate change, and the report highlights specific implications where relevant.

8 Other Implications

- 8.1 None identified in this paper.

9 Risk Assessment

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

10 Equalities Impact Assessment

- 10.1 This is a monitoring report, so Equalities Impact Assessment is not applicable.

11 Appendices

Appendix 1 Finance Tables January 2023

Appendix 2 Financial contributions to shared service 2022/23

12 Background Papers

Previous finance reports to the Board

[Shared Service Partnership agreement November 2020](#)

[Public health grants to local authorities: 2022 to 2023 - GOV.UK](#)

www.gov.uk published 7 February 2022

Appendix 1 Finance Tables January 2023

Table 1. Forecast out turn 2022/23

	Budget 2022-2023	Forecast out turn 2022-2023	Over/underspend 2022/23
Public Health Function			
Clinical Treatment Services	£8,929,500	£8,575,620	£353,880
Early Intervention 0-19	£11,512,500(1)	£11,502,666	£9,834
Health Improvement	£2,637,043	£1,801,284	£835,759
Health Protection	£60,500	£245,262	-£184,762
Public Health Intelligence	£150,000	£69,571	£80,429
Resilience and Inequalities	£80,000	£122,489	-£42,489
Public Health Team	£2,341,921	£2,857,630	-£515,709
Total	£25,711,464(1)	£25,174,522	£536,942

(1) Budget includes £97,000 from Public Health Reserve

Table 2. Opening budget 2023/24, assuming no increase to 23/24 PH grant

	Budget 2023-2024
Public Health Function	
Clinical Treatment Services	£8,929,500
Early Intervention 0-19	£11,415,500
Health Improvement	£2,637,043
Health Protection	£60,500
Public Health Intelligence	£148,000
Resilience and Inequalities	£137,000
Public Health Team	£2,286,121
Total	£25,614,464

Table 3. Public Health shared service reserve

Opening balance at 1st April 2022	£2,646,900
Public Health Dorset commitment to STP/PAS costs	£443,000
Kickstart CHIS contracts post COVID-19	£340,000
Interim Safeguarding capacity (moved to PH budget)	£97,000
Place based work	£609,000
Uncommitted amount in reserve at 1st April 2022	£1,157,900
Agreed at JPHB November 2022	
Bournemouth, Christchurch and Poole Council	£610,243
Dorset Council	£547,657
Total	£1,157,900

Appendix 2 Financial contributions to shared service 2022/23

Table 1. Agreed Partner contributions 22/23

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

If we assume no uplift to the grant, we expect shared service contributions for 23/24 to remain the same.