

Joint Public Health Board

25 July 2023

Finance Update

For Decision

Portfolio Holder: Cllr Jane Somper, Adult Social Care, Health and Housing,
Dorset Council

Cllr David Brown, Health and Wellbeing,
Bournemouth Christchurch and Poole (BCP) council

Local Councillor(s): All

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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 year end position is a £375k underspend. In 22/23 BCP kept £8.338M of their grant, and DC kept £1.277M. BCP underspent the drug and alcohol allocation by £394k, this amount is retained in earmarked reserves for future spend in this area. Dorset council spent their retained grant to budget.

The Department of Health and Social Care published the 23/24 public health allocations on 14 March. There was a 3.2% uplift. The proposal is for 60% of each council's uplift to go to the shared service, with 40% kept by the council. If approved, this will mean that the opening budget for the shared service in 23/24 will be £26.298M. The Board is asked to consider how this uplift is applied.

The shared service public health reserve stands at £1.767M as of 1 April 2023. Non-recurrent work is 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 out turn of £375k underspend, the £394k underspend on the BCP retained grant, and the break-even position for the DC retained grant in 22/23.
- 2) agree the proposed 60:40 split of the 23/24 uplift, with 60% going to the shared service.
- 3) agree the proposed application of the 23/24 uplift within the shared service and note the position for the grant kept by each council in 23/24
- 4) note plans for the use of ring-fenced public health reserves over the next three years, in line with principles agreed at the November 2022 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 delivery of public health outcomes 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 out turn

1.1 The 22/23 shared service budget was £25.615M.

1.2 The year end position is an underspend of £375k. Detail is set out in Appendix 1, Table 1. This underspend is less than reported at Board in February. Factors that contribute to the change are set out below:

- Further one-off schemes supported under Early Intervention and Resilience/Inequalities.
- Some planned one-off schemes did not go ahead under Health Protection.
- Costs reconciled where Contain Outbreak Management Funding and other grants or income cover. This impacts on Clinical Treatment Services, Public Health Intelligence and Public Health Team.
- Within Health Improvement, NHS Health Check activity increased beyond forecast. Prescribing recharge costs were also higher than forecast. Activity to help people stop smoking in the community fell. So we tested alternative ways to support them.

- 1.3 The expenditure on one-off schemes (initially planned to come from Public Health reserves) totalled £424k in 2022/23. This supported twelve schemes across the Mental Health, Healthy Places, Health Inequalities, Healthy Lifestyles, Children & Young People and Sexual Health programme areas.

2 Out turn on 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 underspent by £394k. This was 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 retaining the underspend as an earmarked reserve for drug and alcohol for future use. The revised use of the BCP retained grant is as follows:

- Drugs and alcohol services for adults and children (£5.090M) of which £394k is retained in earmarked reserves
- Children's centres and early help (£2.994M)
- A central overheads element (£254k)

- 2.3 Dorset council kept £1.277M of their 22/23 grant. The community safety work underspent by up to £76k compared to initial budget assumptions. This is because of delays in recruitment to posts. The revised use is therefore final out turn was therefore:

- Community safety (£208k). This supports additional work around domestic abuse and violent crime, linked to new legislation.
- Community development work (£333k).
- Children's early intervention (£191k).
- Prevention and support for adults with complex needs (£513k). 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)

3 2023/24 shared service budget

- 3.1 At the February 2023 the Board noted an opening revenue budget of £25.615M. This assumed no uplift to the public health grant.

- 3.2 The Public Health allocations, published on 14 March 2023, included an uplift of 3.2%. Discussions with officers in both councils followed, including Section 151 officers. We recommend that each council gives 60% of the uplift to the shared service and keeps the remaining 40%. This would give an updated revenue budget of £26.298M. Proposed partner contributions are set out in Appendix 2, Table 2.
- 3.3 This will enable BCP council to apply a 3.2% uplift across the public health services managed by the council. It will also ensure a consistent approach across both councils.
- 3.4 The guidance accompanying the published allocations stated:
“The Public Health Grant will need to cover all pay pressures for 2023/24, including the impact of NHS pay settlements. Funding previously allocated to reflect the additional costs to local authorities of the 2018 NHS pay settlement is now fully baselined as part of the Grant. Arrangements were put in place by NHS England to help manage the in-year impact of additional NHS pay costs in 2022/23, on a non-recurrent basis. The expectation is that ongoing funding for this pressure will be managed through local authority commissioning.”
- 3.5 The 2023/24 NHS pay settlement includes an unprecedented 5.2% pay rise for staff in 2023-24. NHS England will now cover some of the extra costs on top of the NHS planning assumptions of a 2% uplift. This is again on a non-recurrent basis.
- 3.6 DHSC also clarified that the national guidance does not overrule local contractual mechanisms. Our main contracts allow for a review of the charges but this is not automatic. Any review should take account of:
- evidence of any cost pressures
 - current contract performance
 - whether there are other ways to minimise the impact of any cost pressures or reduce costs
 - any changing requirements
 - any potential risks.
- 3.7 A separate paper sets out cost pressures within the Children and Young People’s Public Health Service. It proposes an increase in the contract value. This will use £300k of the uplift allocated to the shared service, with the rest from reprofiling of other budgets.
- 3.8 For our other large contracts we will not use any of the uplift. We are using other ways to manage pressures. For example, moving funding from activity or results-based elements into core contract values.

- 3.9 Activity changed for most of our Community Health Improvement services during COVID. Activity has fluctuated and not always recovered as expected. This could be due to capacity in providers, with ongoing pressures. It could also reflect that our payments have not increased. Most of these contracts end March 2023 and preparation for re-procurement is ongoing. Cost pressures are unlikely to impact in 23/24 but could affect 24/25.
- 3.10 The exception has been tier 2 weight management services, such as Slimming World and WW. There is high uptake of these services. We will use £45k of the uplift to cover additional activity and work to co-ordinate with other weight management offers.
- 3.11 During the COVID pandemic we took on more capacity, funded through the Contain Outbreak Management Fund. This involved a mix of fixed term roles, agency staff and secondments. We are reviewing capacity requirements post-COVID, taking account of changing roles and responsibilities. The first phase identified some roles that should now be substantive, with a recurrent impact of £140k on PH team and £79k on Health Improvement.
- 3.12 The remaining uplift, plus some movement from resilience and inequalities will be used to support the review and implement the findings and will sit within the PH Teams budget. The scope of the second phase is still developing but is likely to include how we:
- balance different areas of work and capacity across the team
 - access additional digital and intelligence capacity
 - work with partners on policy and strategy development
- 3.13 Based on the above changes, an updated budget is set out in appendix 1, table 2. There will also be some movement between headline budget areas. £140k will move from Health Improvement to Clinical Treatment Services. This is a Sexual Health budget that fits better there.

4 2023/24 grant kept by the councils

- 4.1 BCP Council will keep £8.612M of their 23/24 grant. The additional £274k will be used for inflationary pressures. The £9k Botox and fillers element of the grant will be used for related activity.
- 4.2 Dorset council will keep £1.468M of their 23/24 grant. Use of the £6k Botox and fillers element of the grant will be used for related activity and the remainder of the additional £191k funding is under discussion.

5 Shared service public health reserves

- 5.1 The ring-fenced public health reserve now includes the 22/23 underspend and stands at £1.767M. Detail, including the return of uncommitted reserves is in Appendix 1, Table 3. The same conditions that apply to the public health grant apply to the reserve.
- 5.2 The Board already agreed indicative commitments against much of the reserve:
- £443k for Prevention at Scale (PAS) projects
 - £340k for community health improvement services
 - £609k for place-based work
- 5.3 Non-recurrent work agreed over the next three years is in line with the commitments above. This also fits with principles agreed at the Board in November 2022. These recognise the challenging financial landscape, and will support both councils:
- Use underspend before pulling on reserves
 - Support work within communities that will reduce their reliance on statutory services
 - Support early intervention work with individuals
 - Support invest to save work that falls within grant conditions
 - Work with local VCS partners
 - Provide interim support for public health work where required until transformation impacts are realised.

6 Financial Implications

- 6.1 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.

7 Wellbeing and health implications

- 7.1 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.

8 Environmental implications

- 8.1 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.

9 Other Implications

9.1 None identified in this paper.

10 Risk Assessment

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

Current Risk: MEDIUM

Residual Risk: LOW

11 Equalities Impact Assessment

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

12 Appendices

Appendix 1 Finance Tables May 2023

Appendix 2 Financial contributions to shared service 2022/23 and 2023/24

13 Background Papers

Previous finance reports to the Board

[Shared Service Partnership agreement November 2020](#)

[Public health grants to local authorities: 2023 to 2024 - GOV.UK](#)

www.gov.uk published 14 March 2023

Appendix 1 Finance Tables May 2023

Table 1. 2022/23 out turn

	Budget 2022-2023	Forecast out turn 2022-2023	Over/underspend 2022/23
Public Health Function			
Clinical Treatment Services	£8,929,500	£8,540,380	£389,120
Early Intervention 0-19	£11,512,500(1)	£11,561,276	-£48,766
Health Improvement	£2,637,043	£2,127,332	£509,711
Health Protection	£60,500	£226,762	-£166,262
Public Health Intelligence	£150,000	£136,744	£13,256
Resilience and Inequalities	£80,000	£224,663	-£144,663
Public Health Team	£2,341,921	£2,519,388	-£177,467
Total	£25,711,464(1)	£25,336,545	£374,919

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

Table 2. Updated budget 2023/24

	Budget 2023-2024	Forecast out turn	Over/underspend
Public Health Function			
Clinical Treatment Services	£9,074,500	£9,074,500	£0
Early Intervention 0-19	£11,715,500	£11,715,500	£0
Health Improvement	£2,621,043	£2,621,043	£0
Health Protection	£60,500	£60,500	£0
Public Health Intelligence	£148,000	£148,000	£0
Resilience and Inequalities	£127,000	£127,000	£0
Public Health Team	£2,551,700	£2,551,700	£0
Total	£26,298,243	£26,298,243	£0

Table 3. Public Health shared service reserve

Opening balance at 1st April 2022	£2,646,900
Underspend at 31st March 2021	-£97,000
BCP amount from reserve	-£610,243
DC amount from reserve	-£547,657
Underspend at 31st March 2023	£374,919
Total amount in reserve at 31st March 2023	£1,766,900
Public Health Dorset commitment to STP/PAS costs	£443,000
Kickstart CHIS contracts post COVID-19	£340,000
Place based work	£609,000
Committed amount in reserve	£1,392,000
Uncommitted amount in reserve at 1st April 2023	£374,900

Appendix 2 Financial contributions to shared service 2022/23 and 2023/24

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

Table 2. Proposed partner contributions 23/24

2023 - 2024	BCP	Dorset	Total
	£	£	£
2023 - 2024 Grant Allocation	21,288,254	15,090,023	36,378,277
Less retained amounts	-8,612,254	-1,467,780	-10,080,034
Joint Service Budget Partner Contributions	12,676,000	13,622,243	26,298,243
Budget 2023 - 2024			£26,298,243