

PUBLIC HEALTH APPENDIX F

BUDGET CONTROL MEETING UPDATE REPORT

OCTOBER

MEETING DATE:

26TH NOVEMBER 2013

Purpose

To provide the Chief Officer Finance with assurance on:

- the robustness of budget control and monitoring within Public Health
- to highlight key risks within the department
- to identify any mitigation which can be achieved to reduce the impact on the overall Council budget for 2013/14.

1. Key Messages

- 1 There is currently a contribution from the public health grant of c£165k, plus a further £90k to commercial services, which is a commitment for the next 2 years.
- 2 This contribution or collaborative funding to other areas is the only valid use of a “redirection” of the public health grant. Savings cannot be offered up to the council bottom line under the conditions of the grant, or otherwise used to offset unrelated expenditure or deficits elsewhere.
- 3 The current underspend of £262k reflects consultant and other vacancies. A consultation on a review of the establishment has been completed and the assumptions are based on all posts filled during October 2013.
- 4 There are currently financial risks and pressures that have been described previously against any underspend and these are being worked through the system to validate or eliminate them.

1.1. Current Status – Revenue Budget by Service

Service	Budget Expend	Budget (Income)	Net Budget	October Forecast Outturn	Projected (over)/ Underspend
	£000's	£000's	£000's	£000's	£000's
Public Health Grant	0	(7,753)	(7,753)	(7,753)	0
Pay Budget	1,873	0	1,873	1,689	184
Commissioning Budget	5,522	0	5,522	5,517	5
Contingency Budget	350	0	350	277	73
Public Health Grant	7,745	(7,753)	(8)	(270)	262
Research Team	151		151	151	0
Public Health LA	151	0	151	151	0
Public Health Directorate	7,896	(7,753)	143	(119)	262

KEY POINTS

- 1 Due to the current recruitment freeze and uncertain financial pressures vacant posts within the structure aren't in a recruitment process. This is a risk to the delivery of the transformational commissioning strategy that will enable collaborative use of the public health grant across council services.

- 2 These budgets are due for review on a bi-monthly basis therefore a robust review of any uncommitted expenditure will be completed in November for the next reporting cycle.
- 3 The net budget reflects the corporate savings target relating to 2 days additional leave. This does not apply to those TUPED over on NHS terms and conditions.

Risks

1. There is risk associated with financial pressures as a result of working clarifications through the health system following the implementation of the Health and Social Care Act 2012. These are being worked through to resolution. Regardless of in-year outcome there is an implication that some amount could be taken from the 2014/15 ring-fenced grant allocation as part of system corrections.
2. Current commissioned services as novated to the Council under the Health and Social Care Act are being reviewed and may require additional investment in order to meet health need.

Opportunities

1. Work to identify opportunities to align funding in the current budget against pressures is ongoing.
2. Contingency for some service pressures was built into the new council public health budget from the beginning of the year.
3. Slippage in the recruitment process as described above offer vacancy contingency for pressures but risks delivery of use of the grant for pressures.
4. The work programme for redesign of inherited contracts and programmes for 2014-2015 is essential for being able to use the grant collaboratively across council services.

Budget Changes during October

Transfer of Research Team from CE and ODT	£138k
Transfer from redundancy reserve	£13k
Net increase of	£151k