

Agenda Item 5

Brighton & Hove City Council

For general release

Meeting: Joint Commissioning Board

Date: 10th July 2006

Report of: PCT Director of Finance

Subject: Budget 2006/07

Ward(s) affected: All

1. Purpose of the report

- 1.1 The purpose of the report is to present the budget for 2006/07 by provider and to give the JCB an update on forecast year end variations from budget with actions being taken to ensure breakeven.

2. Recommendations

- Note the contents of the report and the actions being taken to address the budget variation forecast for the end of the year.
- Note that progress will be reported in future performance reports to the JCB.

3. Information/background

- 3.1 The budget for 2006/07 was presented to the last JCB and subject to the PCT being able to provide further non-recurrent funds of £900k in 2006/07 the budget was set at £74,214k.
- 3.2 The PCT has confirmed the non-recurrent funds in 2006/07, however, there maybe some minor amendments in-year as to what is within

section 31 and what falls outside. I will draw the Boards attention to the changes in future reports. In this report a revised estimate of client income has been included reducing the overall section 31 budget by £2163k.

- 3.3 The table below sets out the revised budget of £72,051k by care group and by provider together with the forecast end of year position.

Annual Budget 2006/7	all £'000's				
	SDH	SPT	City Council	Other	Total
Working Age Mental Health Services		£27,456			£27,456
Mental Health Older People		£10,418	£1,337		£11,755
Substance Misuse		£2,112			£2,112
Learning Disabilities			£26,310		£26,310
HIV/Aids	£752	£277			£1,029
Intermediate Care	£2,305			£316	£2,621
Integrated Equipment Store	£768				£768
	£3,825	£40,263	£27,647	£316	£72,051

Forecast year-end variance	all £'000's				
	SDH	SPT	City Council	Other	Total
Working Age Mental Health Services		£236			£236
Mental Health Older People		£638	£0		£638
Substance Misuse		-£12			-£12
Learning Disabilities			£1,604		£1,604
HIV/Aids	£0				£0

Intermediate Care	£50			£0	£50
Integrated Equipment Store	£50				£50
(Under)/Over spend					
	£100	£862	£1,604	£0	£2,566

3.4 The above table shows the forecast variance from budget as at Month 2 (May). Below is commentary by provider:-

3.5 Southdowns Health

3.5.1 Intermediate Care and ICES are overspending and the indication is a potential year-end deficit in total of around £100k. This is consistent with the trends of last year, which were mainly caused by demand-led issues. The budget needs closer monitoring and management by SDH and further work with commissioners (City Council) to bring these services back into budget.

3.6 Sussex Partnership Trust:

3.6.1 For both working age and older people mental health services the main pressure is continuing growth in activity in relation to the Community Care budgets.

3.6.2 In WAMHS, the current projected risk is forecast to be approximately £236k and is attributable to an increase in B&B, and Sublet placements. The action to contain costs is an enhanced role for the Local Authority Housing Options team, with the aim of preventing homelessness, sustaining people in their own accommodation, and increasing use of the private rented sector. It is anticipated that this strategy will have a positive impact on demand as it becomes established.

3.6.3 Projected pressures in relation to Psychiatric Intensive Care (PICU) and Low secure placements have been addressed through the uplift in PCT funding for 2006/7. In addition the continued effective operation of the Acute Home Treatment team (Crisis resolution team) has reduced acute private sector placements to zero, which

is a significant contrast to high levels of activity at this stage last year.

- 3.6.4 For Mental Health Services for Older People, the projected overspend on current trends is £638k which is attributable to an increase across the board in Home care, Nursing Care and Residential Care. The action to contain costs is to ensure there is a consistent approach across the three main gatekeepers to this budget to ensure that access is fully matches eligibility criteria. A process for escalating decision making in certain circumstances will be agreed and applied. Should this approach not fully deal with the projected overspend, a review of the eligibility criteria will be undertaken and reported to the September JCB.
- 3.6.5 HIV / AIDSs services are reporting a balanced budget for 2006/07. The Local Authority has not yet been notified on the AIDS support grant allocation for this financial year. However contingency plans which have been consulted on with providers and service users which makes provision for the anticipated reduction in allocation.
- 3.6.6 Substance Misuse services are reporting a balanced budget for 2006/07 within the Section 31 element of the budgets. The PCT however, has just received notification of the DAAT Pooled Budget Special Allocation with a shortfall of £267k compared with indicative allocations. The DAAT Joint Commissioning Group are working on a revised Treatment Plan that will produce a balance budget and meet LPSA 2 stretched targets. Copies of the DAAT position are available on request.

3.7 **City Council**

- 3.7.1 The total overspend forecast is £1.604m however a recovery plan is currently being drawn up to address the situation. Any shortfall in the recovery plan and/or significant impacts on service levels will be reported back to the Joint Commissioning Board.
- 3.7.2 The projected overspend for Learning Disabilities Community Care is currently £499,000, an increase of £99,000 from last month, with the overspend ranging across all services. The overspend on other Learning Disability services ("mainstream services") is now forecast to be £1.119 million, an increase of £527,000 over last month. The forecast includes brought forward shortfalls on 2005/06 recovery

plan savings of £427,000, continuation of service pressures on agency staffing and contracted services of £172,000, and £113,000 on transport issues. A new pressure of £85,000 has also been identified on reduced Supporting People income.

3.8 Other

3.8.1 We are currently forecasting no budget variance for the budgets which fall into this category.

4. Recommendations

- Note the contents of the report and the actions being taken to address the budget variation forecast for the end of the year.
- Note that a full report will be presented to the September meeting.

5. Consultation

5.1 This report has been completed in consultation with:

Alan Beasley Deputy Director of Finance : Southdowns Health
Nigel Manvell Deputy Director of Finance : City Council
Simon Scott, Assistant Director: PCT
Andy Porter Commissioning Lead : Brighton and Hove City PCT