

Subject: Financial Performance Report – Month 5
Date of Meeting: 22nd October 2012
Report of: Director of Finance, NHS Sussex
Director of Finance, Brighton and Hove City Council
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Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report sets out the financial position and forecast for the partnership budgets at the end of month 5.

2. RECOMMENDATIONS:

- 2.1 Board members are requested to note the forecast outturn for 2012/13 as at month 5.

3. RELEVANT INFORMATION:

Financial Position – Month 5 2012/13

- 3.1 The forecast outturn is detailed in the table below:

Month 5 Forecast Outturn Variance by Client Group					
	SCT £'000	SPFT £'000	PCT £'000	BHCC £'000	Total £'000
PCT:					
Intermediate Care	217	0	0	0	217
HIV / AIDS Services	(199)	0	0	0	(199)
Integrated Equipment Store	28	0	0	0	28
Older People Mental Health	0	(187)	0	0	(187)
Working Age Mental Health	0	69	0	0	69
Substance Misuse Services	0	(4)	0	0	(4)
	46	(122)	0	0	(76)
Council:					
Learning Disabilities Services	0	0	0	(376)	(376)
Total Forecast Outturn	46	(122)	0	(376)	(452)

- 3.2 Services commissioned from SCT are reporting an overspend of £46k. There are significant staffing pressures against Intermediate Care services and a process is being put in place to manage this position. The overspend is being partially offset by savings against the HIV/AIDS budget which is a continuation of the position in 2011/12. There is a small pressure of £28k against the Integrated Community Equipment Store budget.
- 3.2 An underspend of £121k is currently being forecast in respect of services commissioned from SPFT. A budget strategy savings target of £326k has been set for the year and this has already been achieved. However, there continues to be pressures against the Adult Mental Health Community Care budget due to a lack of suitable accommodation, for which there is a specific savings target against the Financial Recovery Plan. As in 2011/12, there is a 50/50 risk-share arrangement in place between the council and the provider in 2012/13.
- 3.4 Learning Disability services are forecast to underspend by £376k due mainly to the full year effect of management decisions taken during 2011/12 and over-achievement of financial recovery plan targets for the current financial year. There are risks against delivery of budget strategy savings on Learning Disabilities Accommodation which is the subject of a separate report on this agenda as a result of delays in implementing the proposals.
- 3.5 The PCT 'block' contracts have now been agreed with SCT and SPFT and there have been no changes to the values reported at month 2. The NHS Operating Framework for 2012/13 provided for a 2.2% inflationary increase on funding. However, efficiency savings were required of 4%, giving a net reduction of 1.8%.

- 3.6 The contracts with SCT and SPFT are currently forecast to breakeven. Regular discussions are being held with the Trusts during the year to ensure there are no surprises and pressures materialising are addressed.

4. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 4.1 The financial implications of the report are found in the text, highlighting the performance against the pooled budgets.

Legal Implications:

There are no specific legal implications (including Human Rights Act) which arise out of this report which is for noting.

Sandra O'Brien Senior Lawyer 2 October 2012

Equalities Implications:

- 4.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 4.4 There are no direct sustainability implications arising from this report.

Crime & Disorder Implications:

- 4.5 There are no direct crime and disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 4.6 There are no direct risk and opportunity management implications arising from this report. Both organisations have extensive risk management frameworks which address the risks arising from the section 75 agreement.

Corporate / Citywide Implications:

- 4.7 There are no direct corporate/ citywide implications arising from this report.

