

JOINT COMMISSIONING BOARD

Agenda Item 36

Brighton and Hove City NHS
Teaching Primary Care Trust
Brighton & Hove City Council

Subject: Financial Performance Report – Month 8
Date of Meeting: 26th January 2008
Report of: Director of Finance, Brighton and Hove PCT
Contact Officer: Name: Michael Schofield Tel: 01273-545314
E-mail: Michael.Schofield@bhcpct.nhs.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report sets out the financial position of the pooled budgets at the end of Month 8, and the forecast year end outturn. It highlights emerging pressures and sets out plans to address these.

2. RECOMMENDATIONS:

- 2.1 Board members are requested to note the financial position of the pooled budgets - forecast at breakeven – and the actions underway to manage the pressures within the system;
- 2.2 Board members are requested to note the progress on the substance misuse and community alcohol services tender.

3. RELEVANT INFORMATION:

Year End Forecast 2008/2009

- 3.1 The table below sets out the budget for the financial year. As a reminder, the report now shows the 'lead commissioning' arrangements, with two 'pooled funds' held within the overall pool. This reporting format is intended to highlight lead responsibilities and to support the production of the interim and year-end financial statements including balance sheets.

Pool Contributions by Client Group:	SDH	SPT	PCT	BHCC*	Total
PCT Pool:	£000	£000	£000	£000	£000
HIV/AIDS Services Client Group	720	300	-	-	1,020
Intermediate Care Services Client Group	3,452	-	323	-	3,775
Older People's Mental Health Services Client Group	-	13,140	-	-	13,140
Substance Misuse Services Client Group	-	2,683	-	-	2,683
Working Age Mental Health Services Client Group	-	27,874	-	-	27,874
Integrated Equipment Store	1,322	-	-	-	1,322
	5,494	43,998	323	-	49,815
Council Pool:					
Learning Disabilities Services Client Group	6,396	-	927	21,707	29,030
Total Contributions to the Pooled Budgets	11,890	43,998	1,250	21,707	78,845

*£83,000 investment by BHCC still to be allocated.

- 3.2 The table below sets out the forecast outturn for each of service areas within the pool. As noted previously, the forecasts around the Mental Health service lines need to be interpreted with caution, given the ongoing work around the 'baseline contract' – expected to be completed in December 2008 – and the forecasts are those of the PCT, drawing on information provided by the provider bodies, rather than those of Sussex Partnership Trust.

M8 Forecast Outturn Variance by Client Group:	SDH	SPT	PCT	BHCC	Total
PCT Pool:	£000	£000	£000	£000	£000
HIV/AIDS Services Client Group	(18)	-	-	-	18
Intermediate Care Services Client Group	(253)	-	-	-	253
Older People's Mental Health Services Client Group	-	(37)	-	-	37
Substance Misuse Services Client Group	-	65	-	-	65
Working Age Mental Health Services Client Group	-	476	-	-	476
Integrated Equipment Store	113	-	-	-	113
	(158)	504	-	-	346
Council Pool:					
Learning Disabilities Services Client Group	-	-	-	64	64
Total Pool Forecast	(158)	504	-	64	410
Application of Risk Share Savings/ Recovery Plans	n/a	(300)	n/a	n/a	(300)
	158	(204)	0	(64)	(110)
Forecast Outturn at Month 8	-	-	-	-	-

- 3.3 The position on the South Downs Health-led services remains positive, as reported in the last report, with a forecast underspend on the intermediate care services client group offsetting a pressure on the integrated equipment store.
- 3.4 The position on Learning Disabilities has remained consistent with the previous forecast, with a forecast overspend of £64,000. However, the City Council remains confident of delivery of the year end position of break-even. Neither the City Council nor the PCT are anticipating the contribution of additional funds to this service.
- 3.5 The position on mental health and substance misuse services is complex, and has significantly improved since the last forecast. As last month, the operation of the risk share agreement reached between Directors of Finance is shown for

transparency. SPT has committed to meeting a £300,000 forecast overspend overall and to ensuring that service pressures are constrained. SPT, with the support of officers in the City Council, is now forecasting a significant reduction in the service pressures around older people and substance misuse, although the pressures on the working age adults service remain as previously reported.

- 3.6 The recovery actions on older people's care group mean that community care budgets are anticipated to underspend, while the related mainstream budgets are anticipated to break-even, improving the overall position for this care group by £378,000. For substance misuse, the forecast pressures have been reducing due to much improved care package monitoring.
- 3.7 This does leave a residual pressure with the provider of £204,000 which must be addressed by the end of the financial year. Sussex Partnership Trust have committed to reducing this pressure and the Lead Commissioner PCT has had sight of, and has considered at its most recent Commissioning Board, a financial recovery plan which bridges the gap by £100,000, leaving a remaining pressure to be managed of £104,000 and SPT have given assurances at the PCT Commissioning Board that a further plan is in place for the remaining balance of savings required and that they are confident of delivery. The PCT is working closely with the provider to ensure that appropriate and adequate recovery plans are put in place.
- 3.8 A paper on Dementia at Home services is anticipated at a future JCB, and this is likely to address the pressures moving into the next budget year. Both commissioners are anxious to ensure value for money, and an appropriate and effective service.

Procurement of Substance Misuse Service

- 3.9 The PCT is continuing to procure the Substance Misuse Service at discussed at the last Committee. The bidders are returning their bids to the PCT on 7th January and a stakeholder evaluation day – including a broad range of representatives from the statutory and voluntary sectors, and the acute hospital, as well as service users, will be attending and helping to evaluate the bid. Getting this input into the assessment process will ensure that real value is delivered from this market-testing process and the PCT is grateful for all the support which has been offered across the relevant constituencies.

4. CONSULTATION

- 4.1 In determining levels of planned expenditure across the client group areas, both the PCT and the City Council have completed extensive consultation exercises. The PCT has prepared an Annual Operating Plan, which highlights the processes for prioritising investment across the range of healthcare, and sets out how new monies will be spent. The City Council engages in an extensive public consultation process in the run up to the budget-setting process.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The financial implications of the report are found in the text, highlighting the performance against the pooled budgets for 2008/2009.

Finance Officer Consulted: Michael Schofield/ Nigel Manville Date: 9/12/09

Legal Implications

- 5.2 There are no specific legal implications which arise out of this report as it is for noting purposes only.
However, as a general principle, the Council and its partners must ensure that managing service pressures is not achieved at the expense of reducing the ability to meet statutory duties.
It is worth noting that the service pressures around older people and substance misuse have significantly reduced.

Lawyer Consulted: Hilary Priestley

Date:05-01-09

Equalities Implications:

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

Sustainability Implications:

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

Crime & Disorder Implications:

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

Risk and Opportunity Management Implications:

- 5.6 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:

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