

JOINT COMMISSIONING BOARD

Agenda Item 6

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

Subject:	Financial Performance Report – Provisional Outturn 2007/08		
Date of Meeting:	16 June 2008		
Report of:	Director of Finance (PCT)		
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Wards Affected:	All		

FOR GENERAL RELEASE

1 SUMMARY AND POLICY CONTEXT:

- 1.1 The purpose of this report is to present the financial position and provisional outturn for 2007/08 of the pooled budgets managed within the Section 75 Partnership arrangements. The position is analysed by service provider. The financial statements of the partnership are currently being reviewed by the Audit Commission.

2 RECOMMENDATIONS:

- (1) That the JCB approve the carry-forward of underspending on Older People Mental Health Services to support the development of a new service in 2008/09;
- (2) That the JCB note the council's additional, non-recurrent contribution of £227,000 to meet net overspending on the Integrated Community Equipment Store service (£199,000) and the Learning Disability Service (£28,000);
- (3) That the JCB note the additional contribution of £419,000 from Sussex Partnership Trust to meet in-year service pressures across services.
- (4) That the JCB note the forecast break-even outturn for the pooled budgets for the 2007/08 financial year, incorporating the proposed additional contributions over and above the in-year additional contributions from the Primary Care Trust and the proposed carry-forward. The final statement is subject to audit.

3 PROVISIONAL OUTTURN 2007/08

- 3.1 The table below shows the provisional outturn variances from budget as at the end of 2007/08. The table shows that the S75 partnership services are forecasting breakeven at the year-end after adjusting for the proposed carry forward and additional contributions.

- 3.2 The PCT and council previously agreed to provide significant additional support to the Integrated Community Equipment Service, both in-year for 2007/08 and on a recurrent basis moving into next year, to recognise the financial challenges faced by this service. South Downs Health had anticipated that remaining financial pressures could be managed in 2007/08 but this was reliant on continued underspending on other services and actions to contain expenditure elsewhere. These services experienced increased expenditure over the remainder of the year and together with continuing high demand in the ICES services, there was an overspend of £202,000 forecast for 2007/08. The council's financial position at year-end is better than expected and members have agreed to provide an additional contribution to the pooled budget to meet the projected net overspend, subject to improved controls in 2008/09. The services provided by South Downs Health NHS Trust therefore show as break-even in this report. In 2008/09 the PCT and council will provide recurrent funding of £400,000 and £80,000 respectively for the different elements of the ICES service and will be working closely over the coming year to strengthen the financial management framework for this service.
- 3.3 The council has continued to work hard to achieve the targets in the Learning Disabilities savings plan and although significant risks were present within the recovery plan, an outturn overspend of only £28,000 (0.1% variance) has been achieved. This results from a combination of a significant achievement of £1.362m against the recovery plan of £2.200m together with other cost containment measures, and additional contributions from the Primary Care Trust. The council has agreed to provide an additional contribution to the partnership to mitigate the small overspend. The outturn position therefore shows as break-even in the table below.
- 3.4 As previously reported, Older People Mental health services are forecasting an underspend of £1.162 million at the year-end. This is primarily due to the delayed start-up and implementation of the Dementia at Home Service, for which provision had been made, and the underspend is therefore on community care budgets. The council has agreed to carry forward the net carry forward of £799,000 to support the implementation of the new service in 2008/09 subject to JCB approval.

Annual Budget 2007/08

Services:	Services Provided by:				Total
	South Downs Health Trust	Sussex Partnership Trust	Brighton & Hove City Council	PCT (Other Contract Services)	
	£'000	£'000	£'000	£'000	£'000
Adult Mental Health Services		28,152			28,152
Older People Mental Health Services		12,815			12,815
Substance Misuse Services		2,159			2,159
Learning Disability Services			28,813		28,813
HIV/AIDS	726	338			1,064
Intermediate Care Service	3,337			316	3,653
Integrated Community Equipment Store	783				783
Total Pooled Budget	4,846	43,464	28,813	316	77,439

2007-08 Forecast Year-end Variance

Services:	Services provided by:				Forecast Variance
	South Downs Health Trust	Sussex Partnership Trust	Brighton & Hove City Council	PCT (Other Contract Services)	
	£'000	£'000	£'000	£'000	£'000
Adult Mental Health Services		123			123
Older People Mental Health Services		125			125
Substance Misuse Services		171			171
Learning Disability Services			28		28
HIV/AIDS	(35)				(35)
Intermediate Care Service	32			0	32
Integrated Community Equipment Store	202				202
(Under)/ Overspend	199	419	28	0	646
Less Additional Contributions	(199)	(419)	(28)	0	(646)
Provisional Outturn 2007/08	0	0	0	0	0

4 CONSULTATION

4.1 This report has been completed in consultation with:

Michael Schofield, Director of Finance, Brighton and Hove City PCT

Nigel Manvell, Assistant Director Financial Services, City Council

Farida Amin, Solicitor for Social and Education Services, City Council

5 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 Included in the body of the report.

Legal Implications:

The report asks the Board to approve spend in order to assist the implementation of the Dementia at Home Service. By carrying over the underspend on Older People's Mental Health to help implement that service the Council and its Partners must ensure that this commitment is not made at the expense of existing services which currently enable the Council to meet its statutory duties. The Council and its Partners have an ongoing obligation to ensure that our statutory duties can be fulfilled

Provided the Council can continue to meet its obligations toward access and opportunities to services including Older People's Mental Health Services there are no specific Human Rights Act or other legal implications which arise from this report

Equalities Implications:

5.2 There are no direct equalities implications arising from this report, although reductions in expenditure or service levels may reduce opportunities or access to services and employment for communities of interest.

Sustainability Implications:

5.3 There are no direct sustainability implications arising from this report. However, it is believed that the reputation of the council's financial control framework and its ability to demonstrate sound budgetary control could have an impact on the willingness of other funding partners to invest in and with the council. This could affect the level of inward investment in respect of projects that contribute towards sustainability.

Crime & Disorder Implications:

5.4 There are no direct prevention of crime and disorder implications arising from this report, although reductions in expenditure or service levels may impact on these issues.

Risk and Opportunity Management Implications:

5.5 A risk assessment is undertaken in relation to the management of individual budgets.

Corporate / Citywide Implications:

5.6 The Partnership's financial position can impact on levels of council tax and service levels and therefore has citywide implications.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents

- (1) Financial reports and statements used to produce this report are held by the various partners.

