

JOINT COMMISSIONING BOARD

Agenda Item 18

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

Subject: Financial Performance Report – Month 2
Date of Meeting: 15th September 2008
Report of: Director of Finance, Brighton and Hove PCT
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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 4, and the forecast year-end outturn. It highlights emerging pressures and sets out measures to address these. The report also comments on and notes progress with medium term financial planning. The report also sets out information about progress on developing and including Key Performance Indicators for the services within the pooled budget.

2. RECOMMENDATIONS:

- 2.1 (1) Board members are requested to note the financial position of the pooled budgets as at month 4, which indicates a breakeven forecast, and the actions underway to manage the pressures within the system;
- 2.2 (2) Board members are requested to note the ongoing work to develop medium-term financial plans for the pool.

3. RELEVANT INFORMATION:

Year-end Forecast 2008/2009

- 3.1 The table below sets out the budget for the financial year, as reported at the last meeting of the JCB. 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 at the last meeting, 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 September 2008 – and the forecasts are those of the PCT, drawing on information provided by the provider bodies, rather than those of Sussex Partnership Trust.

Month 4 Forecast Outturn Variance by Client Group:	SDH	SPT	PCT	BHCC	Total
PCT Pool:	£'000	£'000	£'000	£'000	£'000
HIV/AIDS Services Client Group	20	-	-	-	20
Intermediate Care Services Client Group	(75)	-	-	-	(75)
Older People Mental Health Services Client Group	-	(472)	-	-	(472)
Substance Misuse Services Client Group	-	143	-	-	143
Working Age Mental Health Services Client Group	-	487	-	-	487
Integrated Equipment Store	180	-	-	-	180
	125	158	-	-	283
Council Pool:					
Learning Disability Services	-	-	-	163	163
Total Pool Forecast	125	158	-	163	446
Savings/Recovery Plans	(125)	(158)	-	(163)	(446)
Forecast Outturn at Month 4	-	-	-	-	-

The forecast outturn includes the allocation of the balance of the 07/08 underspend to the Older Peoples Mental Health services client group.

PCT Pool

- 3.3 South Downs Health is forecasting pressures in HIV services, which relate to the provision of contraception and is in discussions with the PCT about the funding arrangements across primary care. The intermediate care budget is forecasting an underspend at this point in the year, but the Integrated Equipment Store is showing a significant cost pressure, reflecting increased demands for the service. This is being discussed by the Trust and the PCT through the Commissioning and Contracting Board, but the PCT is conscious of the significant additional recurrent investment already put into this service as part of the budget-setting process.

- 3.4 On mental health services, the pressures are to some degree mitigated both by the carry forward of the underspend from the prior year and the new risk share arrangements (although these will have to be formalised within new contract arrangements). Working age (adult) mental health services does have a financial recovery plan in place, but delivery has been impeded as clients have not been moved out of the Asher site to more appropriate services in the timescale envisaged. BHCC and PCT staff will be reviewing progress against this recovery plan, and it may be appropriate to bring details to a future JCB meeting. Older peoples mental health services are performing to budget to date, but there are some underlying issues to be resolved around the recurrent budget funding for the Dementia Care at Home service.
- 3.5 For both the South Downs Health and Sussex Partnership Trust services, the current forecast at year-end, taking into account plans for financial recovery, is for break-even. There are currently no service implications anticipated within recovery plans as these are expected to be made up of efficiency savings. At this time, there are therefore no consequent effects on other locally provided services and no commissioning decisions for the JCB to consider and approve.

BHCC Pool

- 3.6 The pooled budget for learning disabilities, pressures of £163,000 are identified, although the year end forecast is for break-even as the service has identified corrective measures for the remainder of the year. Delivery of the forecast outturn is also contingent on the delivery of the remaining £704,000 of the financial recovery plan, and further details of the savings for both this year and last year are contained in a separate paper on the agenda.

Medium-Term Financial Planning

- 3.7 The City Council has recently published its revised medium-term financial strategy, after consultation with key stakeholders including the PCT. The PCT Director of Finance has recently convened a Brighton and Hove Local Health Economy Medium Term Financial Planning group, aimed at developing a joint MTFP for all partners in Brighton, which includes the Directors of Finance from all the relevant commissioners and providers. The group has now met twice and a draft MTFP is expected shortly after 9th September, when NHS bodies have to submit their outline financial plans for the next 5 years to the SEC Strategic Health Authority and the Department of Health. The MTFP sets the context for the development of the PCT Strategic Commissioning Plan, and the Business Plans for the partner bodies, and provides a useful framework to support Joint Strategic Needs Assessment and the development of costed financial plans across the service areas. Regular updates will be provided to the JCB as the plan develops.

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 2008/09.

Finance Officer Consulted: Michael Schofield/ Nigel Manvell Date: 02/09/08

5.2 Legal Implications:

There are no specific legal implications which arise out of this report as it is in the main for noting purposes only. Any management of the pooled budget however will of course need to ensure that the statutory duties of service users continue to be met.

Lawyer Consulted: Hilary Priestley

Date: 28/08/08

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.