

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of Community Health and Care Partnership

Community Health and Care Partnership Committee: 20 November 2013

Subject: Financial and Capital Works Report for the period ended 30 September 2013 (NHS Only)

1. Purpose

The purpose of the report is to provide an update of the financial planning by the NHS Board and by the CHCP.

2. Recommendations

The Committee is asked to note the content of the Financial and Capital Works Report for the period ended 30 September 2013.

3. Background:

The report provides an update of the financial planning by the NHS Board and by the CHCP, and of the overall revenue position of the CHCP and its Capital Programme for 2013/14 (NHS only).

4. Main Issues:

Board Financial Planning for 2013/14 and beyond

- 4.1** The Board submitted the draft financial plan to Scottish Government Health Directorate ('SGHD') in February 2013, as part of its Local Delivery Plan submission. The Board then submitted an update to the draft plan to SGHD in March 2013, again as part of the Local Delivery Plan submission.
- 4.2** Directors have submitted a variety of proposals for funding. The Corporate Management Team (CMT) has reviewed those service developments and pressures. It has been agreed, as far as possible, to minimise any additional impact on operational Divisions. The plan was discussed at the NHS Board seminar in May and approved by the NHS Board at its meeting on 25 June 2013.
- 4.3** The plan identifies Cash Releasing Efficiency Savings ('CRES') required as £33.7m and is to be met largely through savings in Prescribing (£24m), together with savings initiatives from Acute (£7.3m) and Partnerships (£2.4m).
- 4.4** The Board is now developing a medium-term Financial Strategy looking to 2014/15 and 2015/16. It is expected that the overall savings target for each of these two years may not be vastly different from that in 2013/14. However, the very large savings from Prescribing in 2013/14 are unlikely to be repeated and so the level of savings from Acute and Partnerships is likely to have to be much higher.

Revenue Position 2013/14

- 4.5 West Dunbartonshire CH(C)P (NHS-only) revenue position reported for the period ended 30 September 2013 was £26,000 underspent. This is in line with a full-year forecast position of an underspend of £50,000.
- 4.6 Funding has been provided for the additional costs in 2013/14 of the specialist care package for which the CHCP took responsibility in 2010/11. A high level of activity within the provision of community equipment through the Equipu service has resulted in an overspend in this area. However, this continues to be offset by underspending within Physio, Planning & Health Improvement expenditure and within Accommodation & Admin.
- 4.7 Significant additional funding has been provided to the CHCP for the running costs of the new Vale Centre, and also for MSK Physio, in the CHCP's role in managing the Board-wide service, to allow the waiting times to be brought into line with the new HEAT target.
- 4.8 The overall summary position is reported in the table below, with further comments on the significant variances highlighted in section 4.11 of this report. An additional detailed breakdown of individual costs at care group level is reported in Annexe 1 of this report.

	Annual Budget	Year to Date Budget	Year to Date Actual	Variance
	£000	£000	£000	£000
Pays	25,489	12,262	12,139	123
Non Pays	53,710	25,891	25,988	(97)
	79,199	38,153	38,127	26
Less Income	(4,966)	(2,390)	(2,390)	0
Net Expenditure	74,233	35,763	35,737	26

Significant Variances

- 4.9 Comments on significant issues are noted below:
- **Mental Health – Adult Community Services** was breakeven year to date. Earlier in the year, Adult Mental Health overspending was being offset by Elderly Mental Health underspending. However, as previously indicated, an exercise to realign budgets and staff has broadly brought both care groups into financial balance.
 - **Mental Health – Elderly Services** reported an underspend of £8,000. As noted above, a realignment of budgets and staff has brought this area into financial balance.
 - **Learning Disabilities** reported an underspend of £18,000, as a result of vacancies.
 - **Adult Community Services** reported an overspend of £53,000. Including Equipu (community equipment service) is overspent by £98,000. This is being offset by an MSK Physio underspend of

£87,000 arising from vacancies, maternity leave and posts going through recruitment.

- **Planning and Health Improvement** reported an underspend of £19,000 as a result of vacancies, maternity leave and long term sickness absence.
- **Other Services** (incorporating Accommodation & Admin, and Executive) reported an underspend of £24,000 mainly arising from the vacant Head of Admin post.
- **Prescribing:** a cost neutral position has been included in the September Financial Report at CHCP level. However, the actual results show an overall NHSGGC over-spend position, based upon an extrapolation of the actual performance to July. It is now anticipated that increased premiums for drugs on short supply will continue for the remainder of the financial year resulting in an over-spend for 2013/14. This over-spending is likely to be reflected in individual CHCP's future financial reporting in 2013/14 and work is ongoing to assess the full impact.

Capital Programme 2013/14

4.10 Formula Capital

It had been expected that, as 13/14 formula capital funding had been brought forward to spend in 12/13, that there would have been little, if any, formula capital in 13/14. However, the CHCP has been allocated a total of £79,000. Priorities have been identified by the CHCP Capital Group as follows:

Project	Allocation (£000)
Replace and upgrade of CCTV cameras in Dumbarton Health centre and CHC	14
Dumbarton Joint Hospital additions	33
Feasibility Study of reviewing accommodation in DHC	10
Replacement of windows in DHC	10
Partial refurbishment 2 clinical rooms in CHC	12
Total	79

5. People Implications

5.1 There are no people implications, arising from this report.

6. Financial Implications

6.1 Other than the financial position noted above, there are no financial implications of the budgetary control report.

7. Risk Analysis

7.1 The main financial risks to the ongoing financial position relate to currently unforeseen issues arising between now and the financial year-end. Any significant issues will be reported to future Committee meetings.

8. Equalities Impact Assessment (EIA)

8.1 Not required for this report.

9. Consultation

9.1 This report is for information only and relates only to the NHS element of the CHCP, with no requirement for consultation.

10. Strategic Assessment

10.1 This report provides an update on the CHCP's revenue and capital position (NHS only) and does not seek to affect the Council's main strategic priorities.



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Appendix: Financial Statement 1 April 2013 to 30 September 2013

Background Paper: None

Wards Affected: All

Appendix 1
West Dunbartonshire Community Health Partnership
Financial Year 1 April 2013 to 30 September 2013

	Annual Budget	Year to Date Budget	Year to date Actual	Year to date Variance	% Variance
	£000	£000	£000	£000	
Expenditure					
Mental Health (Adult)	4,423	2,214	2,214	0	0.00%
Mental Health (Elderly)	3,144	1,533	1,525	8	0.52%
Addictions	1,953	955	955	0	0.00%
Learning Disabilities	585	270	252	18	6.67%
Adult Community Services	10,798	4,970	5,023	(53)	(1.07%)
Children & Families	4,454	2,196	2,193	3	0.14%
Planning & Health Improvement	1,131	556	537	19	3.42%
Family Health Services (FHS)	23,451	11,705	11,705	0	0.00%
Prescribing	16,443	8,233	8,233	0	0.00%
Other Services	3,013	1,056	1,032	24	2.27%
Resource Transfer	7,519	3,759	3,759	0	0.00%
Hosted Services	831	399	392	7	1.75%
Change Fund	1,454	307	307	0	0.00%
	79,199	38,153	38,127	26	0.07%
Income	(4,966)	(2,390)	(2,390)	0	0.00%
Net Expenditure	74,233	35,763	35,737	26	0.07%

Members should note that NHS GG&C financial convention of reporting underspends as positive variances (+) and overspends as negative variances (-) has been adopted for all financial tables within the report.