

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of Community Health and Care Partnership

Committee: 21 August 2013

Subject: Financial and Capital Works Report for the period ended 30 June 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, and of the overall revenue position of the CHCP and its Capital Programme for 2013/14 (NHS only).

2. Recommendations

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

3. Main Issues:

Board Financial Planning for 2013/14 and beyond

- 3.1** 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.
- 3.2** 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..
- 3.3** The plan identifies Cash Releasing Efficiency Savings ('CRES') required is £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).
- 3.4** The plan also identifies estimates for cost pressures and possible investments. The plan assumes that the pressures and investments will be funded. The Board's Corporate Management Team recognises that it may be prudent to increase the CRES requirement in order to address additional pressures that may emerge and an update on this is to be provided to the Board during the year, as appropriate
- 3.5** 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.

- 3.6** At a Partnerships level, the following elements will form the basis of a medium term financial strategy:
- map out current levels of direct expenditure and headcount, show historic trend and savings delivered, show demand and outcomes achieved against targets set;
 - highlight services and costs to be included in Health & Social Care Partnerships;
 - challenge and agree which services to stop, reduce, retain, increase or redesign;
 - propose strategy and planned changes, prepare service and headcount forecasts to 2016, reflecting impact of integration, produce resultant medium term plans and high level budgets;
 - identify savings made by care group in last 3 years.
- 3.7** A series of local events will now be held to provide a full review of current budgets, spend profile and potential for further local savings; and of system-wide improvement events to assess the potential for further resource release.
- 3.8** A 1½ day event for Partnership Senior Management Teams is planned for the end of September 2012 with the aim to ensure we evidence how we will deliver the likely financial challenge in 2014/15 and potentially 2015/16 – and if plans are falling short, understand what are the issues, challenges and limitations.

Revenue Position 2013/14

- 3.9** West Dunbartonshire CH(C)P's (NHS-only) revenue position reported for the period ended 30 June 2013 was £5,000 underspent.
- 3.10** 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 is being offset by underspending within Physio, Planning & Health Improvement expenditure and within Accommodation & Admin.
- 3.11** 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.

3.11 The full-year summary position is reported in the table below, with further comments on the significant variances highlighted in section 3.12 of this report. An additional detailed breakdown of individual costs at care group level is reported in Annexe 1 of this report.

	Annual Budget £000	Year to Date Budget £000	Year to Date Actual £000	Variance £000
Pays	25,000	6,097	6,009	88
Non Pays	53,530	12,845	12,928	(83)
	78,530	18,942	18,937	5
Less Income	(4,729)	(1,200)	(1,200)	0
Net Expenditure	73,801	17,742	17,737	5

Significant Variances

3.12 Comments on significant issues are noted below:

- **Mental Health – Adult Community Services** recorded an overspend of £29,000. A rebalancing of budgets between Adult and Elderly has been taking place and, although this has reduced under and overspends within Mental Health, has yet to complete. Across all Mental Health services, budgets are in balance.
- **Mental Health – Elderly Services** reported an underspend of £23,000. As noted above, across all Mental Health services, budgets are in balance.
- **Adult Community Services** reported an overspend of £44,000. This occurred within Equipu’s provision of community equipment, where activity has been high. Funding for the high-cost specialist care package has been secured for 13/14.
- **Planning and Health Improvement** reported an underspend of £13,000. This is a result of reduced hours within the management team, vacancies and maternity leave within the Health Improvement team and long-term sickness within the Planning department.
- **Other Services** (incorporating Accommodation & Admin, and Executive) reported an underspend of £25,000. This resulted from admin vacancies and accrual reversals for property maintenance.

Capital Programme 2013/14

3.13 Vale Centre for Health and Care

The funding required for the new Vale Centre for Health and Care is ring-fenced and has been provided by the NHS Board to cover the costs to be incurred in 2013/14. The total project cost remains within budget and an allowance for the ongoing running costs has been made.

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 considered by the CHCP Capital Group and a programme of works is being finalised.

4 People Implications

- 4.1 There are no people implications, other than a number of current vacant posts.

5 Financial Implications

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

6 Risk Analysis

- 6.1 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.

7 Equalities Impact Assessment (EIA)

- 7.1 No significant issues were identified in a screening for potential equality impact of this report.

8 Consultation

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



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Director.

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Appendix : Financial Statement 1 April 2013 to 30 June 2013

Background Paper: None

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

	Annual Budget	Year to Date Budget	Year to date Actual	Year to date Variance	% Variance
	£000	£000	£000	£000	
Expenditure					
Mental Health (Adult)	4,385	1,089	1,118	(29)	(2.66%)
Mental Health (Elderly)	3,124	778	755	23	2.96%
Addictions	1,967	348	348	0	0.00%
Learning Disabilities	584	136	129	7	5.15%
Adult Community Services	10,399	2,530	2,574	(44)	(1.74%)
Children & Families	4,389	1,108	1,107	1	0.09%
Planning & Health Improvement	969	303	290	13	4.29%
Family Health Services (FHS)	23,219	5,935	5,935	0	0.00%
Prescribing	16,789	4,006	4,006	0	0.00%
Other Services	2,991	498	473	25	5.02%
Resource Transfer	7,519	1,880	1,880	0	0.00%
Hosted Services	829	200	191	9	4.50%
Change Fund	1,366	131	131	0	0.00%
	78,530	18,942	18,937	5	0.03%
Income	(4,729)	(1,200)	(1,200)	0	0.00%
Net Expenditure	73,801	17,742	17,737	5	0.03%

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.