

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of Community Health and Care Partnership

Community Health & Care Partnership Committee: 21 September 2011

Subject: Financial and Capital Works Report for the period ended 31 July 2011 (NHS Only)

1. Purpose

- The Committee is asked to note the content of the Financial and Capital Works Report for the period ended 31 July 2011.
- The Committee is asked to approve the 2011/12 Revenue Budget for the CHCP (NHS only).

2. Background:

The report describes the NHS Board's financial planning process and the establishment of the CHCP's revenue budget for 2011/12, and provides an update of the overall year to date revenue position of the CHCP and of the CHCPs Capital Programme for 2011/12 (NHS only).

3. Main Issues:

3.1 Financial Planning for 2011/12

The NHS GG&C Board Financial Plan, approved the Board meeting on 28 June 2011, identified an actual general funding uplift in 2011/12 for the Board of 1.2% amounting to £22.6m, or £26m including additional funding from other boards. Additionally, the Board will receive £14.8m (equivalent to a 0.8% uplift) for Change Fund, and £11.6m (equivalent to 0.6%) for the elimination of prescription charges, although these uplifts will be matched by increased costs or reduced income.

- 3.2** Expenditure growth is projected to be £81m. Together with a carry forward from 2010/11 of £2m, this leaves a required savings plan of £57m. This is slightly higher than was estimated at the time the original savings plans for CHCPs and other parts of the organisation were being set. Also, at that time, there was a slight deficit in the savings plans compared with the total required. It has, therefore, been decided to have a 2nd tranche of savings, totalling £5m, across the NHS Board. Partnerships pro-rata share of this is £1.35m and, of that, the CHCP is required to achieve a further £74,000 of savings. This is in addition to the savings target of £553,000 included in the Finance Report presented at the Committee meeting in June 2011 and also a non-recurring savings target of £150,000. The detail of plans to achieve this additional target will be developed in the coming weeks and will be presented to the CHCP Committee at its next meeting.

- 3.3 The following table establishes the CHCP opening budget for 2011/12 (Prescribing uplifts have not yet been allocated). The analysis by care group is contained in appendix 1:

	Budget
Description	£000
2010/11 Final Budget (Gross)	73,465
Deduct: 2010/11 non-recurring funding	(1,536)
Savings target	(703)
Add: Incremental Pay award	165
Non-pay inflation (1%)	17
VAT uplift	41
Developments and non-recurring funding	1,574
Family Health Service adjustments	(63)
Income	(5,493)
2011/12 Opening Budget	67,467

3.4 Revenue Position 2011/12

West Dunbartonshire CHCP's (NHS-only) revenue position reported for the period ended 31 July 2011 was an underspend of £2,000.

The summary position is reported in the table below with further comments on the significant variances highlighted in section 3.3 of this report. An additional detailed breakdown of individual costs at care group level is reported in Annex 1 of this report.

	Annual Budget £000	Year to Date Budget £000	Year to Date Actual £000	Variance £000
Pays	20,128	6,796	6,767	29
Non Pays	52,832	17,485	17,512	(27)
	72,960	24,281	24,279	2
Less Income	(5,493)	(2,471)	(2,471)	0
Net Expenditure	67,467	21,810	21,808	2

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.

3.5 Significant Variances

Comments on significant issues are noted below:

- **Mental Health – Adult Community** reported an underspend of £5,000. Within Adult and Other Community Mental Health, there is an underspend in pays and pharmaceutical supplies.
- **Learning Disabilities** reported an underspend of £26,000. This is within pays partly as a result of staff in post being on lower increments than allowed for within the budgets. The timing of recharges from the Council has also contributed to this underspend but this will be adjusted next month.
- **Children’s & Families** reported an underspend of £15,000. This is a result of the medical consultant vacancy and an underspend within Speech & Language Therapy pays.
- **Family Health Services** reported an overspend of £15,000 within General Medical Services. There remains a shortfall of funding in this area.
- **Health & Community Care** reported an overspend of £160,000. This occurred within a number of different areas. The largest area of overspending was within District Nursing where the Resource Allocation Model has seen reductions in budget over and above the savings requirements. The CHCP’s share of the specialist care package commenced last financial year has contributed a further £40,000 to the overspend. There are also pressures being experienced within Continence, Community Equipment, the Out of Hours Service, and Podiatry, a service which has suffered from the impact of the loss of income from the Argyll & Bute CHP Service Level Agreement and the Resource Allocation Model.
- **Executive & Admin** reported an underspend of £63,000. This was a result of admin vacancies, together with a non-recurring benefit from accrual reversals within maintenance.
- **Hosted Services** reported an underspend of £35,000, mainly within Retinal Screening.

3.6 Capital Programme 2011/12

Details of the CHCP's capital programme for 2010/11 are summarised below:

- Alexandria Health & Care Centre

Project Cost - £20.8m

The Principle Supply Chain Partner (PSCP) and the Board are in the process of developing the Stage 3 Full Business Case (Design and Target Price) Contract for the project.

The 1:50 room layout design has been concluded through a comprehensive user engagement process, which has informed the overall building design and specification. The market testing of this design and production of the overall building contract Target Price is ongoing and will be concluded in September (prior to the Gateway Review) for recommendation to the Board.

Planning consultation has been ongoing and a positive outcome is anticipated from the Planning Committee on 6th September.

The Gateway Review will take place towards the end of September at the request of the Gateway Review Team.

- Formula Capital

The CHCP has been allocated £64,000 of formula capital. The CHCP's Capital Group will prioritise capital bids and a report on the CHCP capital programme will be brought to the next Committee meeting

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, Health & Human Rights Impact Assessment (EIA)

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

8 Conclusion and Recommendations

8.1 There is a favourable variance shown at year-end of £188,000. The main variances relate to a number of vacant posts across various spend areas.

8.2 This report is submitted for Committee's consideration and comment.

Keith Redpath
Director.

Person to Contact: Jonathan Bryden, Head of Finance - Clyde CHPs (0141 842 6230)

Appendix : Financial Statement 1 April to 31 July 2011

Background Paper: None

Wards Affected: All

Annexe 1
West Dunbartonshire Community Health Partnership
Financial Year 1 April 2011 to 31 July 2011

	Annual Budget	Year to Date Budget	Year to date Actual	Year to date Variance	% Variance
	£000	£000	£000	£000	
Expenditure					
Mental Health (Adult Community)	4,412	1,478	1,473	5	0.34%
Mental Health (EMI)	2,783	927	950	(23)	-2.48%
Addictions	1,651	422	401	21	4.98%
Learning Disabilities	605	194	168	26	13.40%
Health & Community Care	5,555	1,869	2,029	(160)	-8.56%
Children & Families	4,572	1,556	1,541	15	0.96%
Planning & Health Improvement	1,225	393	358	35	8.91%
Family Health Services (FHS)	24,159	8,053	8,068	(15)	-0.19%
Prescribing	17,348	5,893	5,893	0	0.00%
Executive & Admin, Accommodation costs & Other	1,845	607	544	63	10.38%
Resource Transfer	7,339	2,439	2,439	0	0.00%
Hosted Services	1,466	450	415	35	7.78%
	72,960	24,281	24,279	2	0.01%
Income	(5,493)	(2,471)	(2471)	0	0.00%
Net Expenditure	67,467	21,810	21,808	2	0.01%

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