

JOINT COMMISSIONING BOARD

Agenda Item 48

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

Subject: Financial Performance Report – Month 10
Date of Meeting: 9th March 2009
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 10, and the forecast year end outturn. It highlights emerging pressures and sets out plans to address these.

2. RECOMMENDATIONS:

- 2.1 Board members are requested to note the financial position of the pooled budgets - forecast at breakeven – and the actions underway to manage the pressures within the system;
- 2.2 Board members are requested to note the conclusion of the procurement of the substance misuse and community alcohol services tender, and the award of the contract for the delivery of the service to Sussex Partnership NHS Foundation Trust.

3. RELEVANT INFORMATION:

Year End Forecast 2008/2009

- 3.1 The table below sets out the budget for the financial year. 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 previously, 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 during the 2009/10 financial year – and the forecasts are those of the PCT, drawing on information provided by the provider bodies, rather than those of Sussex Partnership Trust.

M10 Forecast Outturn Variance by Client Group:	SDH	SPT	PCT	BHCC	Total
PCT Pool:	£000	£000	£000	£000	£000
HIV/AIDS Services Client Group	(31)	-	-	-	31
Intermediate Care Services Client Group	(238)	-	-	-	238
Older People's Mental Health Services Client Group	-	(120)	-	-	120
Substance Misuse Services Client Group	-	46	-	-	46
Working Age Mental Health Services Client Group	-	559	-	-	559
Integrated Equipment Store	115	-	-	-	115
	(154)	485	-	-	331
Council Pool:					
Learning Disabilities Services Client Group	-	-	-	64	64
Total Pool Forecast	(154)	485	-	64	395
Application of Risk Share	n/a	(300)	n/a	n/a	(300)
Savings/ Recovery Plans	154	(185)	0	(64)	(95)
Forecast Outturn at Month 10	-	-	-	-	-

- 3.3 The position on the South Downs Health-led services remains positive and consistent with previous reports, with a forecast underspend on the intermediate care services client group offsetting a pressure on the integrated equipment store.
- 3.4 The position on Learning Disabilities has remained consistent with the previous forecast, with a forecast overspend of £64,000. There is an element of risk within this forecast, however, as the LD team are awaiting the resolution of a number of continuing care cases. However, the City Council remains confident of delivery of the year end position of break-even. Neither the City Council nor the PCT are anticipating the contribution of additional funds to this service.
- 3.5 The position on mental health and substance misuse services is complex, and has slightly improved since the last forecast. As last month, the operation of the

risk share agreement reached between Directors of Finance is shown for transparency. Following return of the commissioning underspend in 2007/2008, SPT has committed to meeting a £300,000 forecast overspend overall and to ensuring that service pressures are constrained. SPT, with the support of officers in the City Council, continues to forecasting a significant reduction in the service pressures around older people and substance misuse, although the pressures on the working age adults service remain as previously reported.

- 3.6 The recovery actions on older people's care group mean that a net underspend of £120,000 is forecast for the year end. For substance misuse, the forecast pressures have been reducing due to much improved care package monitoring, but a small overspend remains likely.
- 3.7 This does leave a residual pressure with the provider of £185,000 which must be addressed by the end of the financial year. Sussex Partnership Trust have committed to meeting this pressure and have confidence about the delivery of the remaining elements of the financial recovery plan. The two key drivers of the anticipated recovery are (a). an increase in the submitted claims for Housing Benefit for relevant clients, which is anticipated to provide backdated income towards the end of the financial year, and (b). a change in the purchasing arrangements for a number of high cost placements. The City Council and the PCT are working closely with the provider to ensure continued delivery of the financial recovery plans.

Procurement of Substance Misuse Service

- 3.8 The PCT has now completed the retendering for the Tier 3 Substance Misuse and Community Alcohol services, currently provided by Sussex Partnership Trust. The PCT Board has now considered the results of the procurement and approved the award of the contract to Sussex Partnership Trust. The Sussex Partnership Trust tender submission was of a high quality, and delivered value for money, and Sussex Partnership Trust has committed to a number of significant service improvements, including delivery of the new acute brief interventions project. The retendering exercise has provided valuable intelligence on the market for mental health service provision, and has delivered a strengthened contractual basis for an improved service, from a service provider rated 'excellent' by the Healthcare Commission.

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 2008/2009.

Finance Officer Consulted: Michael Schofield/ Nigel Manvell Date: 24 February 2009

5.2 Legal Implications:

The report sets out how the Council and its health partners propose to manage the pooled budgets over the forthcoming financial year. In managing any budget pressures the partners must ensure that they retain the ability to meet their statutory duties to service users. There are no other specific legal/human rights implications which arise from this report.

Lawyer Consulted: Hilary Priestley Date 24 February 2009

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.