



**PERTH AND KINROSS HEALTH AND SOCIAL CARE
INTEGRATION JOINT BOARD**

23 MARCH 2016

BRIEFING ON FORECAST FINANCIAL POSITION

PERTH & KINROSS HEALTH AND LOCAL AUTHORITY

Report by Chief Finance Officer

1. PURPOSE

In advance of the formal devolution of resources to the Perth & Kinross Integration Joint Board (Perth & Kinross IJB), this report sets out the current financial positions of Perth & Kinross Community Health Partnership and Community Care Services provided by Perth & Kinross Council. The report is intended to give an ongoing update regarding existing budgets and budgetary issues while these resources continue to be managed by historic Partners. Joint Financial Monitoring Reports is one part of the Integration Due Diligence process.

The report consolidates information currently available within NHS Tayside and Perth & Kinross Council financial systems noting that the 2015/16 financial implications set out in this report are managed discretely in historic Partners accounts. The report also includes information regarding services that were previously out-with Perth & Kinross CHP but will be devolved to Integration Joint Boards.

Note – For ease of reference the term “Perth & Kinross CHP” continues to be used in this report.

2. RECOMMENDATION

To note the current reported financial position.

3. FINANCE MONITORING – FORMER PERTH CHP AND COMMUNITY CARE SERVICES

The Financial Report (see appendix 1) shows the annual budgets and projected year end variances for Perth & Kinross Community Health Partnership and Perth & Kinross Council Community Care Services excluding those services deemed to be outwith scope based on expenditure.

Perth & Kinross CHP

The December position for Perth & Kinross CHP’s Hospital and Community Health Services (HCHS) shows a projected overspend of £1.434m.

The major features of the December figures are as follows:

- HCHS has deteriorated by £40k since November. The main contributors are Older Peoples Services – improved by £25k thanks to better positions in POA, Community Nursing-Older people and Anticoagulation; Medical Training grades - improved by £28k as vacancies remain unfilled with no evidence of locum cover being utilised and Prisoner Healthcare which has deteriorated by £120k as the service continues to depend on Agency staffing to cover Nursing and Medical posts while vacancies are advertised.

Prescribing has deteriorated by a further £182k and GMS/FHS has improved by £71k.

The above have led to an overall deterioration of £151k.

- Overall forecasts are for a year-end overspend of c£2.985m. Of that £1.434m is HCHS, c£1.5m is attributable to Prescribing and £57k to General Medical Services (GMS)/Family Health Service (FHS).
- In some financial years Perth & Kinross CHP's financial position has been reliant on non-recurring under spends. This continues to be the case in 2015/16 with temporary financial benefits from Psychiatry of Old Age (c£117k).
- Medicine for the Elderly- Some of these services have been operating with relatively high sickness absence levels earlier in the year. This, exacerbated by maternity and recruitment issues, is necessitating the use of supplementary staffing – much of which is premium cost agency staffing.
- Palliative Care- In Patients services have been running with relatively high levels of sickness absence. This, coupled with instances of maternity leave and relatively high occupancy levels, are triggering overspends.
- Community Hospitals- Some of these services have been operating with relatively high sickness absence levels. This is exacerbated by managing vacancies in staffing. This has necessitated the use of supplementary staffing – much of which is premium cost agency staffing. This has been partially offset by the recent closure of GP Beds in Aberfeldy and the use of these staff to cover other hospitals' vacancies. Significant work continues in looking at staffing models. The situation is subject to ongoing assessment.
- Prisoner Healthcare- This service is showing increased cost pressures partly related to medical cover and requirement to use agency nursing to cover vacancies. Work is continuing in Prisoner Healthcare as it seeks to contain nursing and medical staffing pressures. Authority has been granted for the new staffing model to be implemented..
- Prescribing - The projected Prescribing position reflects actual prescribing costs for April to September and thereafter estimates. The projected year end overspend reflects both growth in numbers of prescribed items being

higher than anticipated and unit prices being above the budgeted level. While there remains an ongoing Prescribing action plan to address the overspending position only limited progress is evident to date. The Prescribing budget setting process for 2016/17 will include representation from Perth & Kinross IJB.

- General Medical Services(GMS) – As noted in the Due Diligence process, there remain a number of pressures within GMS budgets and these are reflected in projected overspends (preliminary forecasts indicate this will reduce for next month). Pressures and risks include increasing Premises costs (largely due to issues out-with NHS Tayside’s control), the volume of services being delivered through Enhanced Services and other risks including new Immunisation programmes and General Practice recruitment issues.
- Identification of Savings Targets (2015/16) – Perth & Kinross CHP services (excluding Prescribing and Young Peoples Services) have a devolved 2015/16 savings target of £1.2m. While significant progress has been made in identifying in year savings, there has been limited progress in identifying recurring savings delivery against this target. At the moment, it is estimated that c30% of this target has been identified on a recurring basis. This could have a significant impact on the available resources in future years.

For 2015/16, Perth & Kinross CHP finances are managed within the overall level of financial resources available to NHS Tayside. NHS Tayside’s financial position for 2015/16 is under significant pressure. This is partly attributable to an inability to deliver recurring savings in previous years. That is a situation that is also evident within Perth & Kinross CHP Services. NHS Tayside has instigated 6 Director led work streams intended to assist NHS Tayside improve its overall in-year and recurring financial position.

Perth & Kinross Council Community Care Service

The projected financial position for Perth & Kinross Council’s in scope services based on the December monitoring position, which will be considered by Senior Management Team on Thursday 28th January and thereafter reported to Strategic Policy & Resources Committee, shows a projected year end underspend of £1.6m.

The major features of the December figures are as follows:

- Community Care underspend has increased since November, from £1.3m underspend to £1.5m. This is due to additional Older People residential placements offset by deferred discharge of Learning Disability clients.
- Older Peoples Services- There are overspends in both Residential Placements for Older People and Care at Home services, due to continuing increasing demand as a consequence of the frailer, ageing population. These, together with unmet savings within Care at Home, results in a projected overspend of £1.26m. This has been offset by a

number of non-recurring underspends, accelerated savings and non-recurring budget flexibility monies.

- Learning Disabilities- Underspend within Learning Disability is due to accelerated savings, staff slippage and clawback of surplus from the Respite Bureau.
- Other areas contributing to the overall position are - non-recurring income projected in relation to the Contributions Policy, one-off clawbacks of SLA/Grants payments and further accelerated savings.

4. FINANCE MONITORING – NHS SERVICES OUT WITH PERTH & KINROSS CHP

The services that will be devolved to all Tayside IJBs have been described in the approved Integration Schemes. This notes that many Health services that are currently managed out-with Perth & Kinross CHP will migrate into Perth & Kinross IJB from 1st April 2016. Appendix 2 describes the financial position for many of these services. This information is shown for Tayside as a whole for the following reasons:-

- Information available to the IJB is currently limited to the information that exists in NHS Tayside reporting systems.
- There are still a number of significant details that need to be resolved regarding hosting arrangements.

It has been suggested (position to be formally agreed) that a financial risk sharing agreement is put in place between all three Tayside IJBs to risk share financial risks. The working assumption is that the sharing mechanism will be based on proportions used by the Scottish Government to allocated funds such as the Integrated Care Fund and reflect elements of Local Authority and NHS allocation mechanisms.

The information reflected in appendix 2 covers services presently managed through NHS Tayside's Mental Health and Learning Disability Directorate and NHS Tayside's Communities Directorate. It does not include services that are hosted in other CHPs on behalf of all Tayside CHPs.

Mental Health and Learning Disability Directorate

This information reflects current management structures within this Directorate where a number of Tayside services were previously (until 2013/14) managed via Perth & Kinross CHP. In future many of these services will be hosted in Perth & Kinross IJB. The significant risks are set out in Due Diligence papers. The main financial risks include Learning Disability Services, General Adult Psychiatry Medical Staffing and Medical Trainees along with unmet savings targets from previous years of c£500k.

Communities Directorate

This information relates to services that are Tayside wide but that will be hosted by Angus CHP in future. The significant risks will be set out in further iterations of the Due Diligence process. The main financial risks currently related to Medical staffing of the Forensic Medical service. While there have

been service delivery issues with regard to Out of Hours services in 2015/16, these budgets are currently not overspending.

Perth & Kinross Integration Joint Board

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Appendix 1

Financial Report

This format has been designed to accommodate the different reporting arrangements in each Partner and is specifically intended for the period preceding Integration.

PERTH & KINROSS HEALTH AND LOCAL AUTHORITY - FINANCIAL MONITORING REPORT 2015-16						
as at December 2015 Monitoring						
	Perth & Kinross Council		NHST Perth CHP		Partnership Totals	
	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)	Annual Budget	Projected Over / (Under)
	£,000	£,000	£,000	£,000	£,000	£,000
Medicine For Elderly			3,253	455	3,253	455
Psychiatry Of Old Age			5,643	33	5,643	33
Older People Services			374	4	374	4
Community Hospitals (South)			1,782	216	1,782	216
Community Hospital (North)			2,340	122	2,340	122
Intermediate Care			(0)	0	(0)	0
Lead Community Nursing			295	(25)	295	(25)
Comm Nursing-Older People			2,900	115	2,900	115
Comm Nursing - Palliative Care			1,454	70	1,454	70
Physiotherapy			1,702	98	1,702	98
Podiatry (Tayside)			2,735	65	2,735	65
Anticoagulation			429	8	429	8
Occupational Therapy			1,037	58	1,037	58
Joint Loan Store / OT / Telecare	1,621	(23)	301	13	1,922	(10)
Care at Home	9,543	703			9,543	703
Care Home Placements	15,350	625			15,350	625
LA Care Homes	2,737	(240)			2,737	(240)
Access	666	(38)			666	(38)
Locality Teams	2,399	(134)			2,399	(134)
Day Care Provision	1,214	(107)			1,214	(107)
Respite	150	44			150	44
Direct Payments/SDS	1,986	(36)			1,986	(36)
Self Directed Support Team	330	(13)			330	(13)
Self Directed Support Locality Clients	91	(3)			91	(3)
Localities Various	153	(9)			153	(9)
Change Fund	722	(65)			722	(65)
OP Accelerated Savings	301	(301)			301	(301)
Budget Flexibility 2015/16 ONLY	525	(525)			525	(525)
Older Peoples Service/Physical Disabilities incl. AHP's	37,789	(121)	24,245	1,230	62,034	1,108
Day Opportunities	2,377	(182)			2,377	(182)
Care Teams	697	(168)			697	(168)
Direct Payments/SDS	854	25			854	25
Respite	287	(245)			287	(245)
Residential Placements	3,671	42			3,671	42
Supported Living	7,999	(131)			7,999	(131)
LD Accelerated Savings	0	0			0	0
Learning Disabilities	15,884	(660)	0	0	15,884	(660)
Adults Mental Health And Wellbeing			345	5	345	5
Day Opportunities	420	(25)			420	(25)
Care Teams	1,197	(39)			1,197	(39)
Direct Payments/SDS	22	1			22	1
Respite	5	(4)			5	(4)
Residential Placements	651	14			651	14
Supported Living	1,036	1			1,036	1
Addictions Fieldwork Team	570	(66)			570	(66)
Mental Health & Addictions	3,900	(118)	345	5	4,245	(113)
Primary Care			414	5	414	5
Medical Training-Non Psychiatry			599	(228)	599	(228)
Prisoner Health Services			2,730	550	2,730	550
C.H.P. Management			309	(77)	309	(77)
Pchp Admin & Clerical			1,698	(1)	1,698	(1)
Resource Transfer - Pkc			6,273	0	6,273	0
Partnership Funding			1,690	0	1,690	0
Grants Voluntary Bodies Perth			39	(9)	39	(9)
Centrally Managed Budget			985	(41)	985	(41)
Carers Strategy - Perth + Kinross			124	0	124	0
Health & Social Care Integration – Joint Board	0	57			0	57
Resource Transfer Income	(6,258)	0			(6,258)	0
Commissioned Services	2,746	(97)			2,746	(97)
Services to Carers	155	(27)			155	(27)
CC Management	(748)	(606)			(748)	(606)
Planning / Management Support/ Other Services	(4,106)	(673)	14,860	199	10,754	(474)
Total excluding Other Contractors	53,467	(1,573)	39,450	1,434	92,917	(139)
Prescribing (Family Health Service)			24,910	1,494	24,910	1,494
General Medical Services			21,563	66	21,563	66
FHS - Cash Limited & Non Cash Limited			13,366	(9)	13,366	(9)
Other Contractors			59,839	1,551	59,839	1,551
Grand Total	53,467	(1,573)	99,289	2,985	152,756	1,412

Tayside Mental Health & Learning Disability - Finance Report to December 2015		
	Annual Budget	Forecast to Year End
	£	£
General Adult Psychiatry	4729124	98200
Learning Disability (Tayside)	6106412	768000
Learning Disability (Angus)	458607	-39000
T.A.P.S.	1418463	9300
Drug Problem Services	4188843	-127800
Clinical Psychology	631538	-22200
Angus Integ Mental Health	17532987	686500
Dundee Gap Snr Medical	1774164	245000
General Adult Psychiatry	7835285	200000
Psychotherapy (Tayside)	880364	-10500
Psychology	2455562	-300000
Eating Disorders	276445	-22500
Dundee Integ Mental Health	13221820	112000
Learning Disability (Dundee)	1241746	-150000
Learning Disability (Tayside)	638505	-8000
Dundee Learning Disability	1880251	-158000
General Adult Psychiatry	6900781	-110000
Psychology	586419	15000
Learning Disability	761109	15000
Perth Integ Mental Health	8248309	-80000
Forensic Service (Tayside)	3548280	-50000
Forensic - Medium Secure Unit	1347148	0
Forensic Project Team	0	0
Forensic Services	4895428	-50000
Mental Health Projects	0	0
Medical Training Grades	1071904	127300
Mh & Ld Management	76469	-2500
Mh & Ld Other Services	1148373	124800
Centrally Managed Budget	-475682	435682
Total Hospital & Community Health Services	46451486	1070982

Communities Directorate - Finance Report to December 2015		
	Annual Budget	Forecast to Year End
	£	£
Out Of Hours	6566867	-215000
Out Of Hours	6566867	-215000
Forensic Service	844510	555000
Forensic Service	844510	555000
Centrally Managed Budget	0	0
Total Hospital & Community Health Services	7411377	340000

