



PERTH AND KINROSS HEALTH AND SOCIAL CARE PARTNERSHIP

4 November 2016

FINANCIAL UPDATE AS AT 31ST AUGUST 2016

Report by Chief Finance Officer

Purpose of the Report

The purpose of this report is to provide an update on financial performance of Perth & Kinross Integration Joint Board.

1. Recommendations

It is recommended that the Integration Joint Board (IJB):-

- a) Note the year end forecast overspend for the IJB of £2.068m, of which relates primarily to the forecast gap on saving delivery.

2. Discussion of Key Issues

The Financial Update to the Board in August set out the forecast financial position for the Perth & Kinross Health & Social Care Partnership (P&K HSCP) including the full impact of services hosted by Perth & Kinross.

This report however sets out the financial position for the IJB (as well as the Partnership) now reflecting the shared impact of all hosted services, rather than the full impact of services hosted by P&K HSCP.

The report provides a year end forecast based on the year to date position as at 31st August 2016 for NHS Tayside budgets and as at 31st July 2016 for Perth & Kinross Council budgets.

A forecast overspend of £2.068m is currently predicted for the IJB at the year end. Appendix 1 provides a breakdown of the year end forecast across service areas. The core financial position is forecast to be £22k underspent with underspends in Community and Hospital Health Services and Community Care offsetting an overspend in Hosted Services.

There is a forecast gap of £2.09m on savings delivery across health services. This predominantly arises from gaps within Hosted Services and GP Prescribing.

Further explanation of key material underspends is provided below.

3. Community and Hospital Health Services

A year end underspend of £297k is currently forecast for Community & Hospital Health Services, excluding deliver of savings. This compares to £305k forecast underspend reported at Month 3, and is driven largely by a forecast underspend for Medical Trainees and for Community Hospitals North (Aberfeldy), offset by staffing related overspends in Medicine for the Elderly (Tay/Stroke at PRI) and Community Hospitals South.

4. Hosted Health Services

Perth & Kinross's share of all Hosted services are forecast to overspend by £352k, excluding delivery of savings.

The key areas of overspend are Forensic Services (hosted by Angus - £655k), GAP Inpatients (hosted by Perth & Kinross - £675k) and Learning Disabilities Inpatients (hosted by Perth & Kinross - £265k). This is offset by significant underspends in Out of Hours (hosted by Angus £310k) and Psychology (hosted by Dundee £303k).

Perth & Kinross IJB's share of all hosted services is agreed as 33.5%.

5. GP Prescribing

Based on GP prescribing expenditure to 31st May 2016, a year-end year overspend of £1.280m is reported, however, this is after removal of budget in respect of £1.479m savings target. On this basis, the difference (£199k) has been reported as delivery of savings (see below).

6. Homecare

An underspend of £109k is forecast in respect of Care at Home. This is lower than the £186k forecast underspend reported in August reflecting an increase in hours being provided.

7. Residential Care/Care Home Placements

A year end underspend of £19k is now being projected compared to the £246k overspend being forecast as at 30 June 2016. Increased income recovery and staff slippage within PKC care homes is the main driver of this improvement.

8. Savings delivery

The inability to identify savings plans to meet the significant NHS Tayside savings target is the main driver of the year's forecast overspend for the IJB. A shortfall of £2.4m against a target of £3.8m is predicted. Key areas of shortfall are across Hosted Services and GP Prescribing.

Within Social Care, all 2016/17 Plans are expected to deliver the £1m target in full. Further, £295k of accelerated savings are forecast to provide a non-recurring benefit in 2016/17.

Appendix 2 provides a detailed update on all savings plans. This will be supplemented in future months to include more details in respect of Hosted Services in Angus and Dundee.

9. Conclusion

Excluding savings, the IJB is currently forecasting a broadly break-even position. However the significant challenge in delivering the savings targets against GP Prescribing and Hosted Services drives a significant year end forecast overspend for the IJB which is being taken forward as part of risk sharing agreement discussion by the Chief Officer.

Appendix 1 Summary Financial Position

Appendix 2 Delivery of Savings 2016/17

Perth & Kinross Integration Joint Board	Partnership Year End Over/(Under) spend Forecast £000	IJB Year End Over/(Under) spend Forecast £001
Core Position		
Community & Hospital Health Services	-297	-297
Hosted Services	973	352
GMS/Other FHS	-33	-33
GP Prescribing	0	0
Sub -total Health	643	22
Care at Home	-109	-109
Care Home Placements/LA Care Homes	-19	-19
Other	84	84
Sub-total Community Care	-44	-44
Sub total core financial position	599	-22
Savings Delivery		
Community & Hospital Health Services	475	475
Hosted Services	949	630
GP Prescribing	1,280	1,280
Sub total Health	2,704	2,385
Community Care	-295	-295
Sub total Savings	2,409	2,090
Total	3,008	2,068

Perth and Kinross IJB Summary of Savings as at 31st August 2016

	Savings Plan 2016/17	Savings Amount Booked/Anticipated	Gap
	£'000s	£'000s	£'000s
Health Services			
Physiotherapy - Redesign	99	99	0
Occupational Therapy - Workforce Review	64	64	0
POA Anti-cholinesterase prescribing review	100	100	0
Pay Protection Older People CMHT	50	50	0
Transformation - POA Inpatient Service Review Phase 1	54	54	0
Transformation of District Nursing	169	42	127
Review of Joint Equipment Loan Store	18	18	0
Admin and Clerical Review	93	80	13
CHP Management	100	89	11
Corporate Review of Uplifts	107	107	0
Review of Adults Mental Health and Wellbeing Team	16	16	0
Mental Health Community	126	94	32
Learning Disabilities	41	41	0
Reserves Review	38	196	-158
MIU's Review	0	0	0
Anticoagulation Supplies and Workforce review	28	22	6
Balance of further savings to be identified	444	0	444
Totals Local	1547	1072	475

Hosted:

Podiatry procurement and instruments review
Transformation - Prisoner Healthcare Workforce review
GAP Inpatients MRH
Community Dental
Balance of further savings to be identified

155	0	155
70	70	0
309	309	0
185	51	134
660	0	660

Total Hosted P&KHSCP

1379 430 949

Share of P&K Hosted above (33.5%)
Share of Angus Hosted (33.5%)
Share of Dundee Hosted

		318
		113
		199

Total Hosted PKIJB

630

GP Prescribing

1479	199	1280
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Totals Prescribing

1479 199 1280

Community Care

Communities First
Housing with Additional Support
Delayed Discharge Income
Contributions Policy
OT Charge
Service Level Agreements

72	72	0
80	80	0
181	181	0
200	200	0
63	63	0
56	56	0

Targeted Budget Reduction in Community Care
 Corporate Review of Workforce/Productivity
 Transformation of Procurement Reform
 Accelerated for 2017/18

222	222	0
113	113	0
107	107	0
0	295	-295

Totals Community Care

1094 1389 -295

Total Perth & Kinross HSCP Forecast Gap on Savings
Total Perth & Kinross IJB Forecast Gap on Savings

2409
2090

