



PERTH & KINROSS INTEGRATION JOINT BOARD

23 March 2018

2017/18 FINANCIAL POSITION AND FORWARD LOOK

Report by Chief Financial Officer

PURPOSE OF THE REPORT

The purpose of this report is to provide a summary of the issues impacting on the financial position of Perth & Kinross IJB in 2017/18, based on the 9 months to 31st December 2017.

1. RECOMMENDATIONS

It is recommended that the Integration Joint Board:

- Note the forecast financial position for 2017/18.

2. 2017/18 FINANCIAL POSITION

- The IJB is forecasting an overall under spend of £1.293m, an improvement of £522k from Month 7.
- The key drivers of this under spend position are a £2.493m forecast under spend on Social Care and a £500k under spend on Hospital & Community Health. These are being offset by a forecast overspend of £1.475m on Prescribing and £1.520m on Inpatient General Adult Psychiatry.
- Of the Social Care under spend £1.071m is due to accelerated savings and £795k due to slippage in the utilisation of budget flexibility. The underlying base budget is underspent by £627k, of which £330k relates to slippage in the utilisation of complex care package funding due to delay in funding agreement and housing provision. However underlying this is a pressure on care home placements.
- Prescribing is forecasting a £1.475m overspend which is lower than the anticipated position with the 2017/18 Financial Plan. Lower than anticipated growth and additional budget released by NHST are supporting the position.

- Within the 2017/18 financial plan, Inpatient Mental Health General Adult Psychiatry (GAP) was anticipated to overspend by £558k. The forecast at month 9 is an overspend of £1.520m. Of this £879k relates to Medical Locum costs and discussion is required with NHST to agree release of agreed non-recurring budget to offset this cost

3. CONCLUSION

A number of material pressures exist within Health and Social Care budgets and have been fully considered within the 2018/19 budget setting:

- Nursing care placements pressure within Social Care.
- Undelivered savings within core Hospital and Community Health services, Other Hosted services and Inpatient Mental Health.
- Within Inpatient Mental Health services, locum medical costs and a significant nursing pressure due to high cost observations and levels of sickness.
- The underlying £1.638m overspend on GP Prescribing budget.

The detailed Financial Update for 2017/18 is provided at Appendix 1.

Author(s)

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