



PERTH & KINROSS INTEGRATION JOINT BOARD

27 September 2019

INPATIENT MENTAL HEALTH BUDGET 2019/20: 2021/22

Report by Chief Financial Officer (Report No. G/19/160)

PURPOSE OF REPORT

This report recommends setting the 2019/20 budget for Inpatient Mental Health Services.

1. RECOMMENDATIONS

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

- (i) Approve the 2019/20 Financial Plan for Inpatient Mental Health Services and set the budget thereon noting the gap of £1.521m which remains.
- (ii) Request that the Chief Officer to work with NHS Tayside to identify an action plan for reducing medical locum costs.
- (iii) Ask the Chief Officer to issue the necessary Direction to NHS Tayside to implement the actions within the 2019/20 Financial Plan
- (iv) Note that on approval of the Inpatient Mental Health Financial Plan, the formal budget deficit for the IJB for 2019/20 is £4.104m.

2. 2019/20 BUDGET SETTLEMENT FROM NHS TAYSIDE

- 2.1 For 2019/20, NHS Tayside received a 2.6% uplift on its base budget. In addition it received £2.200m further NHS Scotland Resource Allocation Committee (NRAC) funding as part of the Scottish Government's commitment to move all NHS Boards towards NRAC parity. NHS Tayside will pass through a full share of the 2.6% baseline funding uplift from the Scottish Government. This equates to £0.577m for Inpatient Mental Health Services. There has been no allocation of the additional 2019/20 NRAC funding to Inpatient Mental Health Services.
- 2.4 The budget settlement will be supplemented by £0.155m of non-recurring 2019/20 Scottish Government Mental Health Outcomes funding which will supported the Police Triage Service across Tayside. Confirmation is required

from the Scottish Government at the earliest opportunity that this non-recurring funding will be received recurrently in future years.

3. 2019/20 SUMMARY FINANCIAL PLAN

- 3.1 The 2019/20 Financial Plan is attached at Appendix 1 and this sets out pressures and essential service developments and offsetting savings and benefits. Overall the in year budget required from NHS Tayside is £1.521m more than has been provided as part of the 2019/20 budget settlement.
- 3.2 It has been important to consider both the recurring budget to be set as well as the in year position as it is not sustainable to accept a number of pressures on a recurring basis. The 2019/20 Financial Plan is therefore presented on a recurring and in year basis. On a recurring basis, a gap of £0.200m is presented however in year increasing medical locum costs are driving a very significant overspend leading to the overall in year gap of £1.521m. Whilst learning disability service is forecasting an overspend on nursing costs due to vacancies and high sickness levels, this is largely being offset in year by reduced costs from the temporary reconfiguration of beds at Strathmartine.

4. 2019/20 PRESSURES AND ESSENTIAL SERVICE DEVELOPMENTS

- 4.1 The Executive Summary at Appendix 2 provides a detailed explanation of the cost pressures and essential service developments identified for 2019/20. As noted at 3.2 above, a number of material pressures have been included on a non-recurring basis since it would not be sustainable to consider these to be recurring.

5. 2019/20 PROGRAMME OF EFFICIENCY AND REDESIGN

- 5.1 The Executive Summary at Appendix 2 provides a detailed explanation of the savings and benefits that have been identified for 2019/20 to move the service towards recurring and in year financial balance.

6. FURTHER FINANCIAL RISKS

- 6.1 There are a number of specific further financial risks that are expected to impact on the financial position of the Inpatient Mental health Service that have not been able to be quantified and included in the Financial Plan:-
- Additional medical locum costs associated with implementation of a consultant out of hour rota to support doctors in training
 - Staff superannuation costs for which additional Scottish Government Funding to be received by NHS Tayside is insufficient to cover actual costs
 - NHS Tayside Transforming Tayside Staffing costs to support Mental Health transformation over and above the service and quality improvement team.

7. IMPLICATIONS FOR IJB 2019/20 BUDGET

- 7.1 The 2019/20 Financial Plan for Inpatient Mental Health reflects the implications of the 2019/20 budget offer from NHS Tayside. This is summarised together with the previously Financial Plans for Core Services, prescribing and Other Hosted Services in Appendix 3 attached.
- 7.2 Overall, the IJB will have a formal budget deficit of £4.104m.

8. PROVISIONAL BUDGETS FOR 2020/21 & 2021/22

- 8.1 The Partnership is committed to developing a medium term financial plan for all delegated services however the Inpatient Mental Health Service has faced significant service challenges during 2018/19 which have prohibited longer term planning. It is anticipated however that a 3 Year Financial Plan will be developed for 2020/21: 2022/23.

9. CONCLUSION

- 9.1 Following robust financial planning and the development of an efficiency and redesign plan, a gap on Inpatient Mental Health Services of £1.521m is set out. In net terms this is almost wholly driven by medical locum costs, with other pressures and essential service developments offset by savings and income. A robust service plan to redesign workforce models across hospital and community mental health services and appropriately reduce reliance on medical staffing is now urgently required. The Chief Officer will bring further proposals forward to the IJB to address this.
- 9.2 The necessary Direction should now be issued to NHS Tayside to implement the actions within the 2019/20 Financial Plan for Inpatient Mental Health Services. This is attached at Appendix 4.
- 9.3 A number of further financial risks have been identified which are very likely to impact on the financial position in future months.
- 9.4 It is anticipated that the 3 Year Financial Plan for Inpatient Mental Health 2020/21: 2022/23 will be developed as part of normal budget setting timescales moving forward for consideration and approval by the IJB by 31 March 2020.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
HSCP Strategic Commissioning Plan	Yes
Transformation Programme	None
Resource Implications	
Financial	Yes
Workforce	None
Assessments	
Equality Impact Assessment	None
Risk	None
Consultation	
External	None
Internal	Yes
Directions	Yes
Communication	
Communications Plan	None

1. Strategic Implications

1.1 Strategic Commissioning Plan

The IJBs Strategic Commissioning Plan has five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- 1 prevention and early intervention;
- 2 person centred health, care and support;
- 3 work together with communities;
- 4 inequality, inequity and healthy living; and
- 5 Best use of facilities, people and resources.

1.1.2 This report relates to all of these objectives.

2. Resource Implications

2.1 Financial

There are no direct financial implications arising from this report other than those reported within the body of the main report.

3. Consultation – Patient/Service User first priority

3.1 Internal

The Chief Officer and Executive Management Team have been consulted in the preparation of the Provisional Draft Financial Plan 2019/20

4. Directions

There will be a legal requirement on the IJB to issue Directions to NHST in relation to the contents of this paper.

5. BACKGROUND PAPERS/REFERENCES

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

6. APPENDICES

Appendix 1 2019/20 Inpatient Mental Health Financial Plan

Appendix 2 Executive Summary

Appendix 3 IJB Approved Budget 2019/20

Appendix 4 Direction to NHS Tayside