Introduction

1.1 The financial framework for the Mental Health Partnership is based around budgets for Adult inpatient services in hospitals, hospital accommodation cost budgets and projects associated with the hospitals. Mental health spending in the Community and for Older People is carried out within the Community Health and Care Partnerships or Community Care Partnerships (CH(C)Ps for short.

1.2 There remains a separation of Clyde and Greater Glasgow financial systems and reporting is made from both systems. The merger of Greater Glasgow with Clyde saw an inheritance of a financial deficit and the Partnership is required to contribute to its resolution from within the Clyde funding, as in 4.1 below

The Budgets

2.1 The totality of Mental Health Partnership budget within Greater Glasgow is £88.5m and within Clyde, £30.6m. These are spread:

- Clyde £30.6m which includes hospitals at Dykebar, Ravenscraig and wards at Royal Alexandra, Inverclyde Royal and Vale of Leven hospitals.
- Glasgow North East £21.7m which includes Parkhead Hospital and wards at Stobhill and Ruchill hospitals.
- Glasgow South £27m which includes Leverndale Hospital and wards at Southern General hospital.
- Glasgow West £14.6m which includes Gartnavel Royal hospital.
- Forensic Services £11.7m.
- Glasgow citywide services £6.4m which includes management budgets and costs of specialist services bought from elsewhere.
- Junior Doctors £7.1m.

2.2 Mental Health spending in the Community Partnerships is Greater Glasgow £41.9m and Clyde £14.2m spread:

- Glasgow City Community Adult £12.7m
- Glasgow City Community Older People £6.6m
- Glasgow City Inpatients Older People £16.5m
- Greater Glasgow other local authorities Community Adult £4.2m
- Greater Glasgow other local Authorities Community Older People £1.9m
- Clyde local authorities Community Adult £6.9m
- Clyde local authorities Community Older People £1.1m
- Clyde local authorities Inpatients Older People £6.2m

**Reporting**

3.1 Monthly, reports are made from the financial systems, reporting spending against expenditure budgets and income for any income budgets. The aim is to achieve spending within budget by the end of the year. Variances are highlighted to managers and discussion taken on steps that are required to correct them. Summarised results on financial performance are reported to the monthly Partnership SMT to allow members to understand where financial pressures are arising and to highlight any funding opportunities that arise.

**Current Issues**

4.1 There are a number of financial issues arising and some of these are:

(a) **Clyde Mental Health Redesign:** This is a major initiative where, subject to external scrutiny and subsequent consultation, it is proposed to reduce investment in in-patient services and increase in investment in community services to see a change in the balance of the delivery of services partnership with the local authorities. The development of community services has to take place in advance of significant retraction of bed provision. This requires that funding is in place before it is released from hospitals and this is enabled by availability of transitional funding that the Board plans for the transitional years. In the Greater Glasgow area, most of this change has happened already. Final developments are underway including crisis services and services for eating disorders.

(b) **Forensic Services:** The Board has developed a Forensic medium secure inpatient unit, Rowanbank Clinic which opened this year. The Clinic provides (currently on an interim basis) services for the West of Scotland. This is a PFI-provided building and the service is funded from an accumulation of reserves made for this purpose and recovery of income from the other Boards who will use the service.

(c) **New Gartnavel Royal Hospital:** This is also a PFI-provided building opening this year. It replaces older accommodation on the Gartnavel Royal site. It is funded from a reserve set up for the purpose, from cessation of nursing home contracts and from disposal of the old hospital buildings. This disposal is not due for a short while and interim funding is in place to assist the transition.

(d) **The Agenda for Change** pay system for staff involves various changes to staff gradings and pays and these need careful monitoring together with a draw on Board central reserves to maintain budget/cost balance. The Board creates reserves at the start of the year for this purpose.
Financial Performance

5.1 On the Partnership’s current financial performance, Clyde suffers a small overspending, a legacy from previous years which is being addressed within Clyde. For the time being, Greater Glasgow is on an even keel, balancing pressures on junior doctors’ budgets and on purchased specialist services with underspendings elsewhere.

Capital

6.1 The sections above refer to revenue budgets. Capital budgets are managed by the MHP Capital and Maintenance Group. In co-operation with the Capital & Estates section of the Board’s Strategy Implementation & Planning department, this Group assembles capital spending plans for submission to the Board’s Capital Planning Group which approves the Board’s capital allocations and spending plans.

6.2 Current spending covers refurbishment of wards on the Gartnavel Royal site and other minor works. Planned capital spending includes various works required to enable changes in inpatient accommodation in the Clyde area, part of the Clyde MH Redesign programme mentioned above.