



Isle of Man
Government

Department of Health and Social Care

Management Accounts

March 2020

Delivering Longer

Healthier Lives



DHSC Management Accounts – March 2020

Department of Health & Social Care Financial Report as at		31-Mar-20										
Division	Current Month £'000				Current YTD £'000				Prior Year Comparison £'000			
	Actual	Budget	Variance	Variance	Actual	Budget	Variance	Variance	CYTD v PYTD	CYTD v PYTD	v PYTD Var	CYTD Var v PYTD Var
Hospital Services	10,335	8,855	(1,480)	(17%)	116,737	107,159	(9,578)	(9%)	(6,588)	(6%)	343	1%
Tertiary Referrals	2,808	1,612	(1,196)	(74%)	25,098	19,345	(5,753)	(30%)	(4,137)	(20%)	(4,279)	(22%)
Community Care	7,621	8,986	1,366	15%	85,724	85,286	(437)	(1%)	(5,112)	(6%)	(1,006)	(1%)
Children & Family Services	1,320	1,304	(16)	(1%)	14,660	15,645	985	6%	(89)	(1%)	(178)	(1%)
Primary Care Contracted Services	1,857	1,710	(146)	(9%)	19,911	20,526	614	3%	(530)	(3%)	(576)	(5%)
Public Health	83	167	84	50%	1,459	1,924	465	24%	(99)	(7%)	57	1%
Corporate Services	5,473	18,173	12,700	70%	8,261	22,091	13,829	63%	2,881	26%	4,552	17%
NI Contributions	(3,405)	(3,405)	(0)	(0%)	(40,855)	(40,855)	0	0%	1,190	3%	(0)	(0%)
Total	26,091	37,402	11,311	30%	230,995	231,120	125	0%	(12,485)	(6%)	(1,087)	(0%)

Overview

- The Department finished the year with a small favourable variance of £125k.
- Included in the numbers is £561k of spend in the Covid-19 cost centre (within Noble's). Excluding this spend, the Department would have been £686k below budget which is line with what had been forecast in February.
- Since the above Covid-19 expenditure is affordable within the additional £8m budget approved in January, no claims have been made from contingency for this. £8m has been approved from contingency which can now be utilised in 2020-21.
- All of the £8m supplementary vote was allocated to the Corporate Services Division which is why it shows a large under-spend. The budget was allocated £6.5m to employee costs and £1.5m to Agency & Contracted Services.

Hospital Services

Noble's includes the £561k of Covid-19 expenditure and has therefore worsened since the February forecast, but the underlying position was slightly better than forecast.

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Tertiary Referrals

The final cost for Tertiary came in around £1m worse than previously forecast. A lot of the accruals for providers are robust, as a number of Trusts decided to settle rather than wait for activity reconciliations which wouldn't be available until the end of May 2020. The overall position has shifted by approximately £1m from last month mainly due to the following factors:

- Allowed for an additional accrual of £170k for 2018/19 Clatterbridge issue as that is still not settled. This gives us enough to cover off worst case scenario.
- Similar issues for 2019/20 with Clatterbridge data, with HO drugs not included in SLAM file. Therefore allowed an additional £400k for worst case scenario.
- Heart transplant at Newcastle £92k.
- Difference between CSU and SLAM data for Manchester University – allowed for worst case scenario approx. £300k.

Breakdown by Type of Expenditure

Department of Health & Social Care Financial Report as at		31-Mar-20												
Type	Current Month £'000				Current YTD £'000				Prior Year Comparison £'000					
	Actual	Budget	Variance	Variance	Actual	Budget	Variance	Variance	CYTD v PYTD	CYTD v PYTD	v PYTD Var	v PYTD Var		
Income	(4,445)	(4,329)	116	3%	(54,681)	(53,552)	1,129	2%	932	2%	804	1%		
Employee Costs	14,223	20,471	6,248	31%	164,072	163,965	(107)	(0%)	(7,956)	(5%)	1,728	1%		
Infrastructure Expenses	238	128	(110)	(86%)	1,705	1,539	(166)	(11%)	(164)	(11%)	(146)	(9%)		
Transport Expenses	323	371	48	13%	4,660	4,457	(203)	(5%)	209	4%	(97)	(2%)		
Supplies & Services	4,417	5,813	1,396	24%	26,203	27,378	1,175	4%	(1,733)	(7%)	900	3%		
Agency & Contracted Services	7,860	9,176	1,315	14%	83,830	79,792	(4,038)	(5%)	(5,060)	(6%)	(4,710)	(6%)		
Transfer Payments	3,475	5,772	2,297	40%	5,207	7,541	2,334	31%	1,290	20%	441	8%		
Total	26,091	37,402	11,311	30%	230,995	231,120	125	0%	(12,485)	(6%)	(1,087)	(0%)		

Employee Costs

- As £6.5m of the supplementary vote was added to the employee cost budget, the final position now shows a significantly smaller variance.
- Agency Costs came in at £10.7m which was £1.6m lower than the previous year. However, some of that was because people were moved onto bank contracts where possible as they are generally lower cost. Bank staffing costs came in at £12.8m which was £802k below last year. So overall Bank & Agency costs combined are £800k lower than last year.
- Noble's was £8.3m over budget in employee costs, of which £5.8m was Agency Costs.

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Supplies & Services

The £1.175m favourable variance in Supplies & Services includes £485k in drugs and £353k in catering supplies.

Agency & Contracted Services

The breakdown of Agency & Contracted Services is as follows:

Department of Health and Social Care	Agency & Contracted Services			
Division	Actual	Budget	Variance	Note
1911 - Adult Services	377,202	260,000	-117,202	
1912 - Child & Families (Social) Servs	6,127,968	6,624,776	496,808	
1913 - Mental Health Service	6,342,082	3,778,700	-2,563,382	a
1922 - Chief Operating Officer's Office	1,420	2,000	580	
1924 - DHSC Corporate Services	65,004	1,500,000	1,434,996	
1927 - Public Health Directorate	48,394	157,170	108,776	
1931 - Noble's Hospital	283,497	618,480	334,983	
1933 - UK Referrals and Patient Transport	20,909,151	15,683,200	-5,225,951	b
1941 - Primary Health Care Services	49,674,997	51,167,802	1,492,805	
Dept. 19 TOTAL	83,829,714	79,792,128	-4,037,586	

Notes

- a) Within the Mental Health Service the adverse variance is from UK placements
- b) The variance in the UK Referrals line is as follows:

Tertiary Referrals - Agency & Contracted Services	2019/20		
Trust	Actual	Budget	Variance
Aintree University Hospitals NHS Foundation Trust	2,806,311	2,400,000	-406,311
Alder Hey Children's NHS Foundation Trust	2,381,482	1,800,000	-581,482
Clatterbridge Cancer Centre NHS Foundation Trust	3,149,609	1,200,000	-1,949,609
Liverpool Heart & Chest Hospital NHS Foundation Trust	4,281,034	3,200,000	-1,081,034
Royal Liverpool & Broadgreen University NHS Foundation Trust	1,803,411	2,500,000	696,589
Walton Centre NHS Trust	2,672,037	1,800,000	-872,037
Manchester University NHS Foundation Trust	468,925	0	-468,925
Other Tertiary Costs	3,346,342	2,783,200	-563,142
Total Tertiary Referrals - Agency & Contracted Services	20,909,151	15,683,200	-5,225,951

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Transfer Payments

This line includes the reimbursement of medical indemnity costs which were £4.4m. The line shows a favourable variance to budget as around £2m of costs were incurred in the Supplies & Services Category.

2020-21

All Departments have been asked to complete a line-by-line analysis of Departmental spend in preparation for a new budget to be presented to Tynwald in July 2020. The Finance team will start this analysis and defer to Budget Holders for questions etc.

*** As a result – no budgets for 2020-21 will be loaded into the financial system until the new budget is agreed in July *.**

All managers should therefore review expenditure to ensure it is necessary, and consider avoiding discretionary expenditure where possible.