

Public Health Committee Discussion Paper

Title: Budget Position & Forecasts 2018/19

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Author: Dr Akeem Ali, Director of Health Services

I. Introduction

1.1 The current financial year is fast coming to an end. The summary table below outlines the current outturn and forecasts to the end of the year. While there are areas of significant pressure to be noted in the expenditure lines, there are also positive indication of achieving above target revenue collection. The key expenditure areas with over-expenditure beyond planned budget relate to 3 key areas which are further detailed below. Revenue collection from the hospital, dental service and laboratory are forecast above planned targets.

Expenditure

Sub-Head No.	Subhead	Budget 2018-19	Actual P1-P5 April-August	Actual P6 September	Actual P7 October	Actual P8 November	Forecast P9 December	Forecast P10 January	Forecast P11 February	Forecast P12 March	Total Outturn 2018-19	Variance to 2018-2019 budget
Management & Admin	2300	584,000	309,981	64,080	20,186	87,983	52,426	58,132	111,326	52,917	757,031	(173,031)
Medical	2301	3,078,000	803,237	213,570	281,395	242,058	237,259	346,452	372,882	288,862	2,785,714	292,286
Medical (Capital Exp)	2301	80,000									0	80,000
Hospital/Acute Care	2302	934,000	418,748	38,614	77,783	131,069	45,145	68,771	81,225	81,381	942,734	(8,734)
Community Care (Primary Care)	2304	278,000	86,237	18,209	19,637	21,845	27,826	41,679	40,786	21,782	278,000	0
Dental	2306	136,000	45,254	8,551	13,542	8,616	13,770	18,193	16,484	9,873	134,284	1,716
Environmental Health	2307	208,000	71,903	14,278	14,183	14,531	14,182	44,235	15,843	18,845	208,000	(0)
Laboratory	2308	269,000	154,194	32,269	40,180	21,006	47,664	20,607	21,787	16,406	354,113	(85,113)
Mental Health	2310	227,000	53,348	10,937	10,767	10,365	10,872	39,502	29,040	22,227	187,058	39,942
		5,794,000	1,942,902	400,507	477,672	537,473	449,143	637,571	689,373	512,293	5,646,933	147,067

Revenue

Sub-Head No.	Subhead	Budget 2018-19	Actual P1-P5 April-August	Actual P6 September	Actual P7 October	Actual P8 November	Forecast P9 December	Forecast P10 January	Forecast P11 February	Forecast P12 March	Total Outturn 2018-19	Variance to 2018-2019 budget
Revenue												
Management & Admin	2300	584,000	226,682	57,040	56,988	56,130	55,018	54,421	54,420	53,904	614,603	30,603
Medical	2301	0	0	0	0	800	0	0	0	0	800	800
Medical (Capital Exp)	2301										0	0
Hospital/Acute Care	2302	121,000	97,069	17,988	20,577	24,442	4,544	4,000	4,000	4,000	176,620	55,620
Community Care (Primary Care)	2304	0	0	0	0	0	0	0	0	0	0	0
Dental	2306	15,000	13,172	2,611	1,876	3,658	2,157	2,020	2,020	2,020	29,533	14,533
Environmental Health	2307	9,000	5,949	3,680	995	-1,066	1,183	800	800	800	13,140	4,140
Laboratory	2308	21,000	23,927	4,787	1,395	4,704	7,980	3,950	3,950	3,950	54,642	33,642
Mental Health	2310	0	0	0	0	0	0	0	0	0	0	0
		750,000	366,798	86,105	81,830	88,667	70,882	65,191	65,190	64,674	889,337	139,337

II. Key Issues

2.1 The committee is reminded as outlined in Paper 06/09/17 -03 regarding the budget planning for 2018/19 that there was no uplift in budget provision during the financial year and this was highlighted as a risk as regards the development and implementation of new or additional services within the directorate. It was planned that potential resources for such development will come from efficiency savings, revenue generation, charitable donations and other specific grants to be accessed.

2.2 Having set the initial draft budget, there were previously highlighted specific cost pressures which included the replacement costs for the defunct EMIS Health Information System, laboratory service costs, cost of occupational therapy equipment and the cost of repairing/maintaining and servicing hospital equipment. Incidentally, the key lines of over-expenditure pertain to these areas. Fortunately, overall expenditure have been maintained within the budget allocation and is forecast to remain so until the end of the financial year. This is barring any extreme changes in the need for aeromedical evacuation, urgent overseas referral or equipment repair.

2.3 The over-expenditure areas have been to cover the following additional costs:

- i. EMIS Replacement costs;
- ii. Repair of Mammogram Machine;
- iii. Additional orthopaedic equipment costs;
- iv. Cost of additional laboratory reagents, services and personnel; and
- v. Increased central charges for IT services and equipment

2.4 There has been areas of cost-efficiency achieved during the year which include:

- i. Reduced cost of overseas referral because of the shift to Pretoria to Cape Town;
- ii. Reduced use of aeromedical ambulance and use of escort service on regular SA Airlink Service; and
- iii. Cost containment for electricity and water usage.

2.5 There has also been significant increase in revenue collected as in the indicated in the table above from:

- i. Hospital Care;
- ii. Dental Care; and
- iii. Laboratory services.

2.6 Based on current forecasts, there is likely scenario of under-expenditure at the end of the financial year. Current forecasts stand at £140K, this may be exceeded if expected number of referrals or aeromedical evacuation does not reach anticipated levels. It is important to note that there are currently no waiting list for overseas referrals and the backlog of all joint replacement surgeries from the last few years has now been cleared.

2.7 It is proposed that the committee supports capitalising the under-expenditure from this financial year over the next 2 fiscal years to use for the procurement of equipment for haemodialysis and the necessary infrastructure in the hospital in order to provide care locally for patients with end stage renal failure. Close to 40% of patients, that is approximately 400 people with diabetes already have some level of kidney failure and many are at risk of reaching end stage failure requiring dialysis or kidney transplant. The ability to undertake dialysis on the island will be cost saving as well as lifesaving.

2.8 The committee is asked to note:

- Budget forecast until year end; and
- Support the proposal to capitalise the under-expenditure for the introduction of haemodialysis on the island.