

Agenda Item	6.a
Report No	JMC/10/22

THE HIGHLAND COUNCIL

Committee: Joint Monitoring Committee

Date: 3 August 2022

Report Title: Highland Health & Social Care Partnership Finance Report at Month 3 2022/2023

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1 Purpose/ Executive Summary

1.1 This paper provides detail of the Highland Health and Social Care Partnership financial position at the end of period 3 (June) of the 2022/2023 financial year.

2 Recommendations

2.1 Members are asked to:

- i. Note the financial position at the end of Month 3 2022/2023

3 Implications

3.1 Resource – there are financial resource implications associated with this paper for the financial years 2022/2023.

3.2 Legal – there are no legal implications associated with this paper.

3.3 Community (Equality, Poverty, Rural and Island) – there are no community implications associated with this paper.

3.4 Climate Change/ Carbon Clever – no associated implications.

3.5 Risk – there are no specific risks associated with the content of this paper. Ongoing financial/ funding issues for NHS Highland are recorded in the Board's risk register.

3.6 Gaelic – no associated implications.

4 NHS Highland Financial Plan

- 4.1 NHS Highland submitted a financial plan to Scottish Government for the 2022/2023 financial year in March 2022 and this plan was approved by the Board in May 2022. An initial budget gap of £42.272m was presented with a Cost Improvement Programme of £26.000m proposed. No funding source was identified to close the residual gap of £16.272m. Work is ongoing, both within Board and nationally, to look at options and schemes to close identified gaps.
- 4.2 Detailed Financial Performance Returns will be submitted to Scottish Government monthly from month 3. This is a move from quarterly reporting in 2021/2022 recognising the severity of the financial challenge that all Boards are facing.

5 NHS Highland Financial Position at end Month 3 2022/2023

- 5.1 For the three months to the end of June 2022 NHS Highland has overspent against the year-to-date budget by £10.977m and is forecasting an overspend of £33.446m at financial year end.
- 5.2 The YTD position includes slippage against the CIP of £5.984m with slippage of £12.515m forecast through to financial year end. At this early stage in the financial year it is estimated that the residual gap of £16.272m can be covered via the flexibility created at the end of the 2021/2022 financial year if these are all available for the Board to utilise.
- 5.3 A breakdown of the year-to-date position and the year-end forecast is detailed in Table 1.

Table 1 – Summary Income and Expenditure Report as at June 2022

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,096.364	Total Funding	252.958	252.958	-	1,096.364	-
	Expenditure					
396.296	HHSCP	100.120	103.060	(2.940)	406.742	(10.446)
231.923	Acute Services	59.691	66.687	(6.996)	252.076	(20.152)
232.498	Support Services	37.148	38.018	(0.870)	234.999	(2.501)
860.716	Sub Total	196.959	207.765	(10.806)	893.817	(33.100)
235.647	Argyll & Bute	56.000	56.170	(0.170)	235.993	(0.346)
1,096.364	Total Expenditure	252.959	263.935	(10.977)	1,129.810	(33.446)
	Surplus/(Deficit) Mth 3			(10.977)	33.446	(33.446)

- 5.4 A breakdown of the forecast by cost previously charged to Covid, unachieved savings and the net operational position is detailed in Table 2.

Table 2 – Breakdown of YTD & Forecast

	Covid (Unfunded)	Unachieved Savings	Operational Under (Over)Spend	Total Forecast Under/ (Over)
HHSCP	(0.386)	(5.309)	(4.751)	(10.446)
Acute Services	(2.654)	(4.195)	(13.303)	(20.152)
Support Services	(0.998)	(1.773)	0.270	(2.501)
Argyll & Bute	-	(1.238)	0.892	(0.346)
Total	(4.038)	(12.515)	(16.892)	(33.446)

6 Highland Health & Social Care Partnership

- 6.1 The HHSCP is reporting a YTD overspend of £2.940m with this forecast to increase to £10.446m by financial year end. Table 3 shows the position across Health and Social Care.

Table 3 – HHSCP Breakdown as at June 2022

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
242.143	Health	60.436	62.602	(2.166)	249.815	(7.673)
154.153	Social Care	39.684	40.458	(0.774)	156.927	(2.774)
396.296	Total HHSCP	100.120	103.060	(2.940)	406.742	(10.446)

- 6.2 Within Health the forecast position reflects:
- £0.386m of costs which would previously have been funded by a Covid funding allocation
 - £5.309m of unachieved savings
 - £1.230m of service pressures in Enhanced Community Services & Palliative Care
 - £1.071m within Mental Health relating to ligature works at New Craigs and locum costs within Psychiatry
 - £0.655m overspend within 2C practices relating to staffing pressures.
- 6.3 Adult Social Care is currently reporting an overspend of £0774m which is forecast to increase to £2.774m by financial year end. This reflects additional placements and complex packages coming into place since budgets were agreed.

- 6.4 The current budget plan for ASC does not reflect the full amount of available ASC funding. Plans are continuing to be developed around investment of additional funding which has been allocated by Scottish Government.
- 6.5 Appendix 1 to this paper details a breakdown of the financial position across Adult Social Care Service Categories.

7 Cost Improvement Programme

- 7.1 NHS Highland has established a £26.000m Cost Improvement Programme for 2022/2023.
- 7.2 The HHSCP element of this CIP is £9.360m - £3.000m of which relates to ASC.
- 7.3 42 schemes are in development within the HHSCP – 7 specifically relating to ASC.
- 7.4 £0.056m of savings have been achieved at the end of month 3. This is forecast to rise to £4.051m by financial year end. Slippage of £5.309m is included within the forecast outturn per paragraph 6.1.

8 Covid Related Expenditure

- 8.1 The NHS Highland financial plan submitted to Scottish Government included an estimate of Covid related costs of £31.514m. £23.200m of funding received in quarter 4 of 2021/2022 was earmarked to part fund these costs. Which left a potential additional pressure of £8.314m.
- 8.2 Work has been ongoing to rebase these costs and the current forecast is £23.964m. £7.486m of these projected costs relates to the HHSCP - £7.100 within ASC.

9 2021/2022 Year End Flexibility

- 9.1 NHS Highland received a funding allocation of £48.551m in quarter 4 of the 2021/2022 financial year. This funding was in respect of funding to enable Boards to break even in that year but also advance funding in respect of estimated Covid costs estimated for 2022/2023.
- 9.2 SG indicated that the balance of funding available at the end of 2021/2022 should be carried forward in ear-marked reserves to fund Covid related expenditure in 2022/2023.
- 9.3 The ability to do this exists within Argyll & Bute and funding has been managed in this way.

- 9.4 Within North Highland it is not possible to carry funding from year to year due to the Lead Agency arrangement. Recognising that the North Highland area of NHS Highland would be at detriment compared to the rest of Scotland agreement was reached that funding would be 'handed back' to SG to manage over year end and that a similar arrangement be explored with Highland Council for related elements of cost.
- 9.5 At the end of 2021/2022 SG were managing a sum of £29.153m - £16.062m being Covid funding related and the balance relating to slippage on other allocations which IJBs would be able to carry forward in reserves.
- 9.6 £15.000m of the funds held by SG are already incorporated into financial planning assumptions for 2022/2023.
- 9.7 A similar arrangement was agreed with Highland Council with £16.352 being managed by them over year end. £7.100m of this funding relates to Covid Costs within the HHSCP and the balance of £9.252m was slippage on ASC related allocations which were to be used in support of the ASC funding position in 2022/2023.
- 9.8 As work commenced nationally to review the overall financial challenge in 2022/2023 the flexible use of the non-Covid related funding has been discussed with the expectation that this will be utilised in Board to support the 2022/2023 position and assist with closing the financial gap.
- 9.9 NHS Highland is working with SG and Highland Council to facilitate return of this funding.

10 ASC Funding Allocations 2022/2023

- 10.1 Scottish Government funding of £27.5m has been made available for 2022/2023. £25.7m of this funding is recurrent. This funding will support the closure of the historic funding gap, enable investment in Care at Home, Multi-Disciplinary Teams, support the pay uplift to £10.50 and enhance Social Work capacity. In addition change programmes will be developed to reduce the ASC cost base to deliver a sustainable financial position.

Adult Social Care Financial Statement at Quarter 1 2022-23

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Forecast Outturn £000's	Forecast Variance £000's
Older People - Residential/Non Residential Care						
Older People - Care Homes (In House)	14,693	3,660	3,315	346	14,422	271
Older People - Care Homes - (ISC/SDS)	29,774	7,548	7,403	144	31,007	(1,233)
Older People - Other non-residential Care (in House)	1,534	394	310	84	1,363	171
Older People - Other non-residential Care (ISC)	2,514	628	636	(7)	2,300	215
Total Older People - Residential/Non Residential Care	48,516	12,230	11,664	567	49,092	(576)
Older People - Care at Home						
Older People - Care at Home (in House)	13,772	3,438	3,401	37	13,698	74
Older People - Care at home (ISC/SDS)	21,665	5,425	5,954	(529)	22,772	(1,108)
Total Older People - Care at Home	35,436	8,863	9,355	(493)	36,470	(1,034)
People with a Learning Disability						
People with a Learning Disability (In House)	2,209	549	424	125	1,742	467
People with a Learning Disability (ISC/SDS)	31,857	7,993	8,328	(335)	32,496	(640)
Total People with a Learning Disability	34,066	8,542	8,752	(210)	34,238	(173)
People with a Mental Illness						
People with a Mental Illness (In House)	542	135	82	54	442	100
People with a Mental Illness (ISC/SDS)	7,902	1,975	1,927	48	7,654	247
Total People with a Mental Illness	8,444	2,110	2,009	102	8,096	348
People with a Physical Disability						
People with a Physical Disability (In House)	1,060	269	183	86	856	204
People with a Physical Disability (ISC/SDS)	9,142	2,300	2,147	153	9,465	(323)
Total People with a Physical Disability	10,202	2,569	2,329	239	10,321	(119)
Other Community Care						
Community Care Teams	7,268	1,841	1,627	215	7,012	256
People Misusing Drugs and Alcohol (ISC)	16	4	3	1	10	6
Housing Support	5,782	1,445	1,328	117	5,756	26
Telecare	802	266	215	50	911	(109)
Carers Support	266	266	265	-	265	1
Total Other Community Care	14,134	3,822	3,438	384	13,955	179
Support Services						
Business Support	1,703	428	389	38	1,549	154
Management and Planning	1,653	1,121	2,522	(1,401)	3,206	(1,553)
Total Support Services	3,356	1,548	2,911	(1,363)	4,755	(1,399)
Total Adult Social Care Services	154,153	39,684	40,458	(774)	156,927	(2,774)
ASC services now integrated within health codes	4,094	1,023	1,023	-	4,094	-
Total Integrated Adult Social Care Services	158,247	40,707	41,481	(774)	161,020	(2,774)

Three Care categories account for 75% of total spend on ASC

Adult Social Care Financial Statement at Month 10 2021-22

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Forecast Outturn £000's	Forecast Variance £000's
Older People - Residential/Non Residential Care						
Older People - Care Homes (In House)	14,717	12,131	10,392	1,739	12,857	1,860
Older People - Care Homes - (ISC/SDS)	32,042	26,702	26,686	16	32,020	22
Older People - Other non-residential Care (in House)	1,132	945	739	206	903	229
Older People - Other non-residential Care (ISC)	1,252	1,045	929	116	1,085	167
Total Older People - Residential/Non Residential Care	49,143	40,823	38,747	2,076	46,865	2,278
Older People - Care at Home						
Older People - Care at Home (in House)	14,607	12,161	11,433	728	13,859	748
Older People - Care at home (ISC/SDS)	14,813	12,346	13,839	(1,493)	16,347	(1,535)
Total Older People - Care at Home	29,420	24,507	25,272	(765)	30,206	(787)
People with a Learning Disability						
People with a Learning Disability (In House)	4,161	3,430	2,919	511	3,646	515
People with a Learning Disability (ISC/SDS)	30,474	25,567	26,927	(1,360)	32,791	(2,318)
Total People with a Learning Disability	34,634	28,997	29,846	(849)	36,437	(1,803)
People with a Mental Illness						
People with a Mental Illness (In House)	463	374	300	74	386	78
People with a Mental Illness (ISC/SDS)	7,271	6,052	6,138	(86)	7,520	(249)
Total People with a Mental Illness	7,734	6,427	6,439	(12)	7,905	(171)
People with a Physical Disability						
People with a Physical Disability (In House)	1,057	884	596	288	770	287
People with a Physical Disability (ISC/SDS)	5,837	4,862	5,749	(887)	6,931	(1,094)
Total People with a Physical Disability	6,895	5,746	6,346	(600)	7,702	(807)
Other Community Care						
Community Care Teams	6,836	5,681	5,062	618	6,244	592
People Misusing Drugs and Alcohol (ISC)	31	26	18	8	21	10
Housing Support	5,829	4,813	4,682	131	5,821	7
Telecare	880	696	531	165	723	157
Carers Support	440	260	260	-	440	-
Total Other Community Care	14,016	11,475	10,553	922	13,250	767
Support Services						
Business Support	1,632	1,347	1,238	109	1,496	136
Management and Planning	(1,104)	(1,350)	230	(1,580)	(1,028)	(77)
Total Support Services	528	(2)	1,468	(1,471)	469	59
COVID	7,293	6,159	6,159	-	7,293	-
Total Adult Social Care Services	149,663	124,131	124,829	(698)	150,127	(464)
ASC services now integrated within health codes	3,765	3,137	3,137	-	3,765	-
Total Integrated Adult Social Care Services	153,428	127,269	127,966	(698)	153,892	(464)

Three Care categories account for 74% of total spend on ASC