

Agenda Item	6a
Report No	JMC-24-23

THE HIGHLAND COUNCIL/ NHS HIGHLAND

Committee: Joint Monitoring Committee

Date: 15 December 2023

Report Title: Highland Health & Social Care Partnership Finance Report at Month 6 2023/2024

Report By: Heledd Cooper, Director of Finance, NHS Highland

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 6 (September) of the 2023/2024 financial year together with a forward look to an initial high level estimate for 2024/2025.

2 Recommendations

- 2.1 Members are asked to:
- i. Note the financial position at the end of Month 6 2023/2024

3 Implications

- 3.1 Resource – there are financial resource implications associated with this paper.
- 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 – Ongoing financial/ funding issues for NHS Highland are recorded in the Board's risk register. Non-delivery of a break-even position for Adult Social Care will deteriorate the NHS Highland forecast outturn for 2023/24.
- 3.6 Gaelic – no associated implications.

4 NHS Highland Financial Plan

- 4.1 NHS Highland submitted a financial plan to Scottish Government for the 2023/2024 financial year in March 2023. An initial budget gap of £98.172m was presented with a Cost Improvement Programme of £29.500m proposed, leaving a residual gap of £68.672m. Scottish Government have now allocated further funding for 2023-2024 of £14.673m to support the financial position to reduce the funding gap. This report summarises the position at Month 6, provides a forecast through to the end of the financial year, and highlights current and ongoing service pressures.
- 4.2 NHS Highland continues to be in an escalated status with Scottish Government in respect of the ongoing financial position.

5 NHS Highland Financial Position at end Month 6 2023/2024

- 5.1 For the six months to the end of September 2023, NHS Highland has overspent against the year-to-date budget by £38.109m and is reporting a forecast of £55.975m at financial year end. This forecast includes additional funding allocated to all Boards by Scottish Government to support the financial position. £11.771m of slippage against the £29.500m cost improvement programme is assumed in this forecast position
- 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 SeptemberJune 2023

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,154.399	Total Funding	556.695	556.695	-	1,154.399	-
	Expenditure					
445.818	HHSCP	221.628	229.149	(7.521)	460.952	(15.135)
294.671	Acute Services	145.254	156.567	(11.313)	311.530	(16.860)
150.536	Support Services	63.674	82.314	(18.641)	173.616	(23.080)
891.024	Sub Total	430.555	468.031	(37.475)	946.099	(55.075)
263.375	Argyll & Bute	126.140	126.773	(0.634)	264.275	(0.900)
1,154.399	Total Expenditure	556.695	594.804	(38.109)	1,210.374	(55.975)

6 Highland Health & Social Care Partnership

- 6.1 The HHSCP is reporting a year-to-date overspend of £7.521m with this forecast to increase to £15.135m by financial year end. Table 2 shows the breakdown

across service areas and the split between Health & Social Care.

Table2 – HHSCP Breakdown as at September 2023

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
252.503	NH Communities	126.568	129.806	(3.239)	260.751	(8.248)
50.386	Mental Health Services	25.177	29.087	(3.910)	55.702	(5.316)
147.606	Primary Care	73.795	74.587	(0.792)	150.013	(2.407)
(4.677)	ASC Other includes ASC Income	(3.912)	(4.331)	0.420	(5.513)	0.836
445.818	Total HHSCP	221.628	229.149	(7.521)	460.952	(15.135)
	HHSCP					
271.604	Health	135.787	142.293	(6.506)	283.801	(12.197)
174.213	Social Care	85.841	86.856	(1.015)	177.151	(2.938)
445.818	Total HHSCP	221.628	229.149	(7.521)	460.952	(15.135)

6.2 Slippage of £6.585m against the CIP is built into the year-end forecast position.

6.3 The forecast position reflects the following cost pressures:

- £0.261m of service pressures in Enhanced Community Services (improved position from Month 3)
- £1.600m prescribing costs above planned. This reflects an increase in both the price of drugs and the volume of prescribing
- £0.792m relating to two out-of-area patients previously funded by National Services Scotland but who are now considered delayed discharges in respect of having completed the specialist treatment; these patients are being charged at specialist rates whilst awaiting transfer back to NHS Highland. Discussions are ongoing with the current provider on the level of these charges.
- £0.800m relating to additional locum costs in 2c practice
- Supplementary staffing costs of £12.171m

The above pressures are partly offset by vacancies.

6.4 Adult Social Care is currently reporting an overspend of £1.015m with this forecast to increase to £2.938m. This is a deterioration from the position reported at Month 3 – this is, in the main, due to revisions to savings delivery forecast with the revised expectation that there will be slippage of £2.326m on the ASC CIP. This position assumes funding being drawn from the funds held by Highland Council over the 2021-2022 financial year end.

6.5 Supplementary staffing at the end of Month 6 totals £12.171m for the HHSCP –£0.751m of this spend being within NHS Highland care homes.

6.6 NHS Highland continues to work with providers to enable ongoing delivery of sustainable services. It is forecast that £1.305m will be incurred through to financial year end providing ongoing support.

- 6.7 No additional funds will be available in 2024/2025. Section 8 will set out an initial high level position for next financial year.
- 6.8 A further breakdown of ASC costs split across service categories is shown in Table 3

Table 3 – ASC Service Category Summary

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Older People - Residential/Non Residential Care	58,931	29,353	28,911	442	57,720	1,211
Older People - Care at Home	34,537	17,259	17,878	(619)	35,868	(1,331)
People with a Learning Disability	41,332	20,751	21,029	(278)	43,889	(2,557)
People with a Mental Illness	8,258	4,125	4,172	(47)	8,062	196
People with a Physical Disability	8,258	4,158	4,289	(131)	8,756	(498)
Other Community Care	17,789	8,942	8,934	7	17,920	(131)
Support Services	5,631	1,515	2,261	(746)	5,807	(176)
Care Home Support/Sustainability Payments	-	-	(236)	236	(86)	86
Total Adult Social Care Services	174,736	86,103	87,238	(1,135)	177,936	(3,199)
Total ASC less Estates	174,213	85,840	86,856	(1,015)	177,152	(2,939)

- 6.9 Appendix 1 to this paper provides a further breakdown of the information in Table 3 and Appendices 2-4 contain breakdowns of activity levels driving the spend in Care at Home, Care Homes and SDS Option 1.

7 Cost Improvement Programme

- 7.1 NHS Highland established a £29.500m Cost Improvement Programme for 2022/2023.
- 7.2 The HHSCP element of this CIP is £10.659m - £4.113m of which relates to ASC.
- 7.3 At this stage of the financial year it is anticipated that savings of £4.075m will be delivered, with slippage of £4.259m in the Health element of the plan and £2.326m of slippage within the ASC element built into the year-end forecast.
- 7.4 The Efficiency and Transformation Governance group is meeting fortnightly to scrutinise the delivery of cost improvements. Three main areas of focus have been identified – Supplementary Staffing, Prescribing and Digital – with groups set up, and led by a member of the Board Executive Team, to manage take initiatives forward.

8 2024/2025 Financial Year

- 8.1 At the start of the 2024/2025 financial year, the reserve held by Highland Council since the end of the 2021/2022 financial year will have been fully utilised.
- 8.2 NHS Highland is required to submit a 3-year financial plan to Scottish Government with the first draft due in January 2024. A projection of the Adult Social Care position for 2023/2024 will be included within this plan.
- 8.3 In preparing the first draft of the plan a number of assumptions have been made with regards to cost uplifts and additional service demand.
- 8.4 Uplifts have also been incorporated in respect of transitions and the £12 per hour rate for Care at Home staff.
- 8.5 Based on 2 different sets of assumptions the funding gap for 2024/2025 is estimated to be in the range of £22.795m to £23.913m. These are summarised in Table 4 below.

Table 4 – ASC 2024/2025 Estimate

2024/2025 Estimate at M7				
	£m		£m	£m
Estimated Expenditure	177.977	Quantum	131.729	Emerging Gap 22.795
		NHS Highland/SG	32.725	
Inflation/ Activity/ Pay Award Uplifts	9.273			
	<u>187.249</u>		<u>164.454</u>	

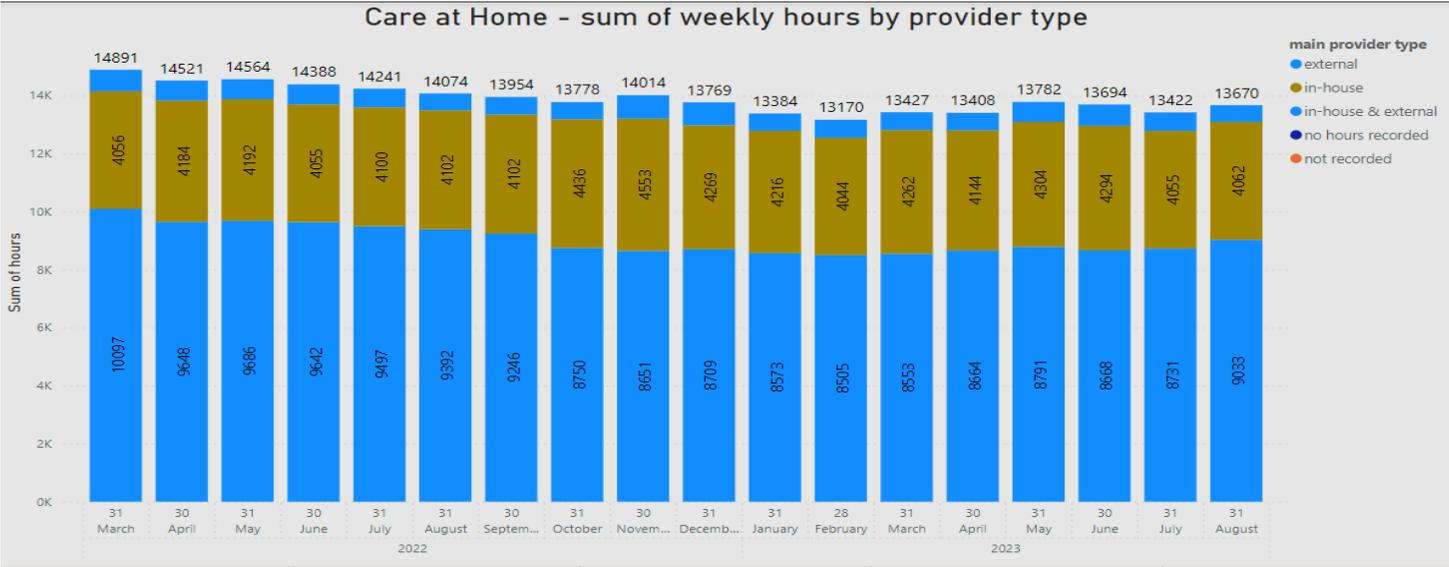
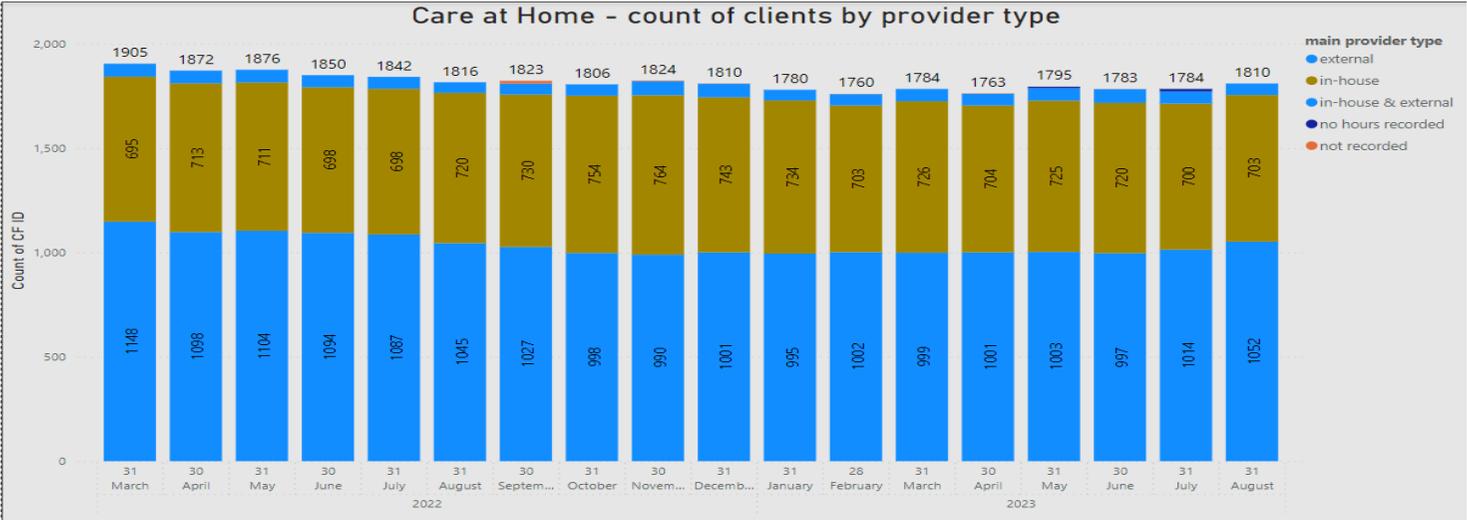
2024/2025 Estimate at M7				
	£m		£m	£m
Estimated Expenditure	177.977	Quantum	131.729	Emerging Gap 23.913
		NHS Highland/SG	32.725	
Inflation/ Activity/ Pay Award Uplifts	10.390			
	<u>188.367</u>		<u>164.454</u>	

- 8.6 No funding mechanism has been identified at this stage to close the estimated gap.

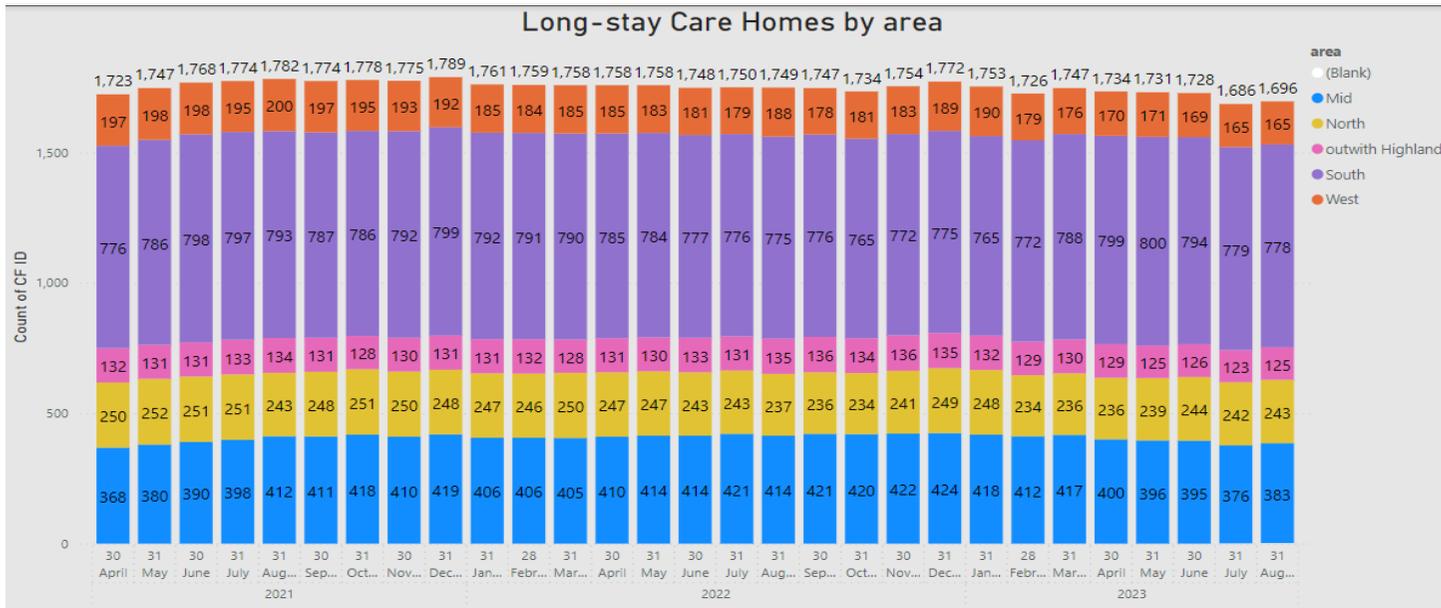
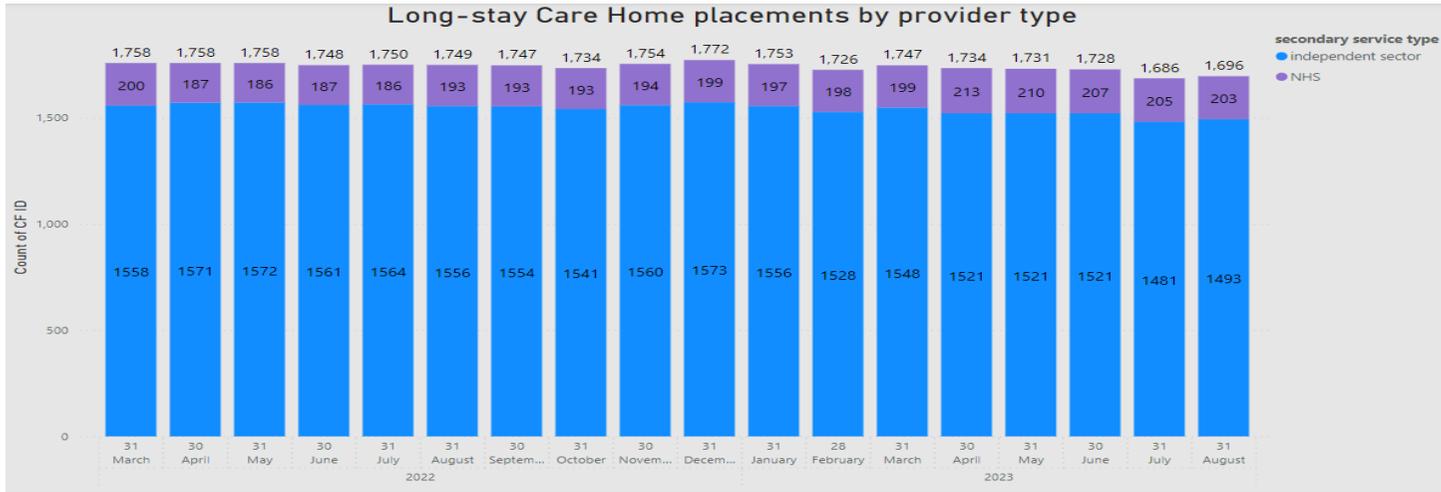
APPENDIX 1

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Older People - Residential/Non Residential Care						
Older People - Care Homes (In House)	20,645	10,205	9,521	684	18,933	1,712
Older People - Care Homes - (ISC/SDS)	35,447	17,724	17,886	(162)	35,835	(387)
Older People - Other non-residential Care (in House)	1,500	754	770	(16)	1,512	(12)
Older People - Other non-residential Care (ISC)	1,339	670	733	(64)	1,504	(165)
Total Older People - Residential/Non Residential Care	58,931	29,353	28,911	442	57,783	1,148
Older People - Care at Home						
Older People - Care at Home (in House)	17,668	8,825	8,168	657	16,476	1,192
Older People - Care at home (ISC/SDS)	16,869	8,434	9,710	(1,276)	19,392	(2,523)
Total Older People - Care at Home	34,537	17,259	17,878	(619)	35,868	(1,331)
People with a Learning Disability						
People with a Learning Disability (In House)	4,793	2,399	1,971	428	4,051	742
People with a Learning Disability (ISC/SDS)	36,539	18,352	19,058	(706)	39,838	(3,299)
Total People with a Learning Disability	41,332	20,751	21,029	(278)	43,889	(2,557)
People with a Mental Illness						
People with a Mental Illness (In House)	572	288	212	75	467	105
People with a Mental Illness (ISC/SDS)	7,687	3,838	3,960	(122)	7,531	157
Total People with a Mental Illness	8,259	4,125	4,172	(47)	7,998	261
People with a Physical Disability						
People with a Physical Disability (In House)	928	466	329	136	630	298
People with a Physical Disability (ISC/SDS)	7,330	3,693	3,960	(267)	8,126	(796)
Total People with a Physical Disability	8,258	4,158	4,289	(131)	8,756	(498)
Other Community Care						
Community Care Teams	9,709	4,814	4,578	235	9,339	370
People Misusing Drugs and Alcohol	301	151	58	94	114	187
People Misusing Drugs and Alcohol (ISC)	93	47	63	(16)	126	(33)
Housing Support	5,808	2,904	3,123	(219)	6,204	(396)
Telecare	1,097	455	541	(86)	1,356	(259)
Carers Support	780	571	571	(0)	780	(0)
Total Other Community Care	17,789	8,942	8,934	7	17,920	(131)
Support Services						
Business Support	2,040	1,032	898	134	1,852	187
Management and Planning	3,591	483	1,363	(880)	3,955	(364)
Total Support Services	5,631	1,515	2,261	(746)	5,807	(176)
Care Home Support/Sustainability Payments	0	0	(236)	236	(86)	86
Total Adult Social Care Services	174,737	86,103	87,238	(1,135)	177,935	(3,198)
ASC services now integrated within health codes	4,193 [†]	2,096	2,096	-	4,193	-
Total Integrated Adult Social Care Services	178,930	88,199	89,334	(1,135)	182,128	(3,199)
Total ASC less Estates	174,214	85,840	86,856	(1,015)	177,151	(2,939)

Care at Home



Care Homes



Self Directed Support – Option 1

