

Agenda Item	10
Report No	JMC-23-24

THE HIGHLAND COUNCIL/ NHS HIGHLAND

Committee: **Joint Monitoring Committee**

Date: **13 December 2024**

Report Title: **Highland Health & Social Care Partnership Finance Report – Month 6 2024/2025**

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 the Month 6 2024/2025 (September).

2 Recommendations

- 2.1 Members are asked to:
- i. Note the financial position at Month 6 2024/2024 (September).

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.
- 3.6 Gaelic – no associated implications.

4 NHS Highland Financial Plan

- 4.1 NHS Highland submitted a financial plan to Scottish Government for the 2024/2025 financial year in March 2024. This plan presented an initial budget gap of £112.491m. With a brokerage cap of £28.400m this meant cost reductions/ improvements of £84.091m were required. The Board received feedback on the draft Financial Plan 2024-27 on the 4 April 2024 which recognised that “the development of the implementation plans to support the above savings options is still ongoing” and therefore the plan was still considered to be draft at this point. The feedback also acknowledged “the significant progress that has been made in identifying savings options and establishing the appropriate oversight and governance arrangements”.

Since the submission and feedback from the draft Financial Plan confirmation has been received that the cost of CAR-T, included within the pressures, will be funded nationally.

There has also been a notification of an additional allocation of £50m nationally on a recurring basis, specifically to protect planned care performance. The NHS Highland share on an NRAC basis is £3.3 million. This funding will enable NHS Highland to maintain the current planned care performance whilst reducing the distance from the brokerage limit in 2024/25.

Additionally, Argyll & Bute IJB has confirmed its ability to deliver financial balance through the use of reserves.

A paper was taken to the NHS Highland Board on 28 February recommending that the Board agree a proposed budget with a £22.204m gap from the brokerage limit of £28.400m – this was agreed and will be reflected in monitoring reports presented to the Finance, Resources & Performance Committee and the NHS Highland Board.

5 Month 6 Position

- 5.1 The NHS Highland position for the period to end September 2024 (Month 6) is an overspend of £42.418m with this forecast to increase to £51.980m by the end of the financial year. The current forecast assumes that those cost reductions/ improvements identified through value and efficiency workstreams will be achieved and that further cost reduction/ improvement activity will enable the delivery of a balanced ASC position at the end of the FY. This forecast is £23.580m worse than the brokerage limit set by Scottish Government.

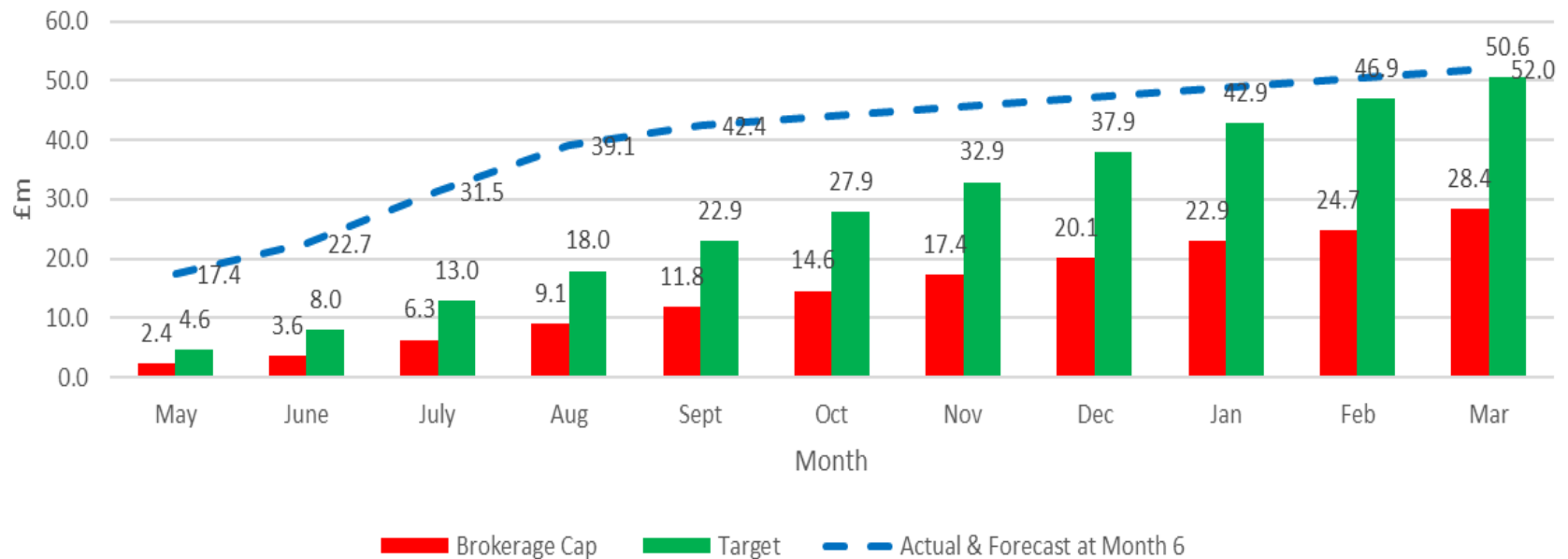
- 5.2 The HHSCP is reporting a year to date overspend of £14.792m with this forecast to decrease to £5.474m by the end of the financial year – this forecast is based on the assumption that further actions will close the £15.325m gap identified and deliver a breakeven financial position by FYE. This position currently only assumes delivery of £2.319m of costs reductions/ improvements within Adult Social Care Value and Efficiency schemes.

Highland Health & Social Care Partnership
Finance Report – Month 6 2024/2025 (September 2024)

Joint Monitoring Committee

MONTH 6 2024/2025 – SEPTEMBER 2024

Actual v Planned Financial Performance

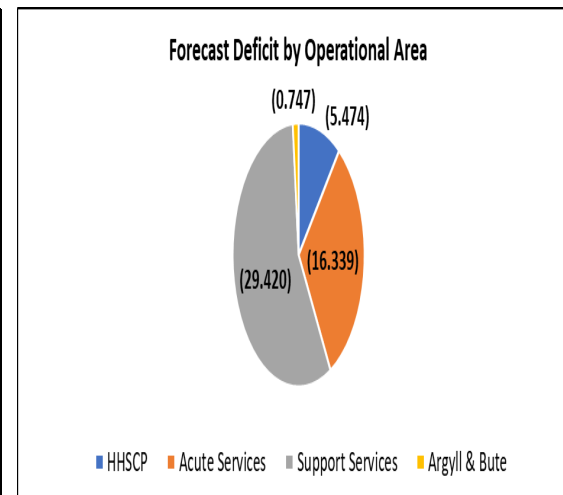


Target	YTD £m	YE Position £m
Delivery against Revenue Resource Limit (RRL) DEFICIT/ SURPLUS	42.4	52.0
Delivery against Brokerage Cap DEFICIT/ SURPLUS	30.6	23.6
Deliver against Target agreed with Board YTD DEFICIT/ SURPLUS	19.5	1.4

- Forecast year end deficit £52.0m – assuming additional action is taken to deliver breakeven ASC position
- £23.6m adrift from brokerage limit
- £1.4m adrift from target agreed with Board May 2024

MONTH 6 2024/2025 – SEPTEMBER 2024

Current Plan £m	Summary Funding & Expenditure	FY Plan £m	FY Actual £m	FY Variance £m	Forecast Outturn £m	Forecast Variance £m
1,195.747	Total Funding	559.951	559.951	-	1,195.747	-
	Expenditure					
461.859	HHSCP	227.830	242.622	(14.792)	482.657	(20.798)
	ASC Position to breakeven				(15.325)	15.325
	Revised HHSCP				467.333	(5.474)
307.292	Acute Services	153.261	161.065	(7.804)	323.631	(16.339)
156.976	Support Services	49.848	69.275	(19.427)	186.396	(29.420)
926.126	Sub Total	430.939	472.962	(42.023)	977.359	(51.233)
269.621	Argyll & Bute	129.012	129.408	(0.396)	270.368	(0.747)
1,195.747	Total Expenditure	559.951	602.369	(42.418)	1,247.727	(51.980)



MONTH 6 2024/2025 SUMMARY

- Overspend of £42.418m reported at end of Month 6
- Overspend forecast to increase to £51.980m by the end of the financial year – assuming further action will deliver a breakeven ASC position
- The forecast has deteriorated by £2.283m from Month 5 due to notification of a reduced allocation in respect of multidisciplinary teams – discussions are ongoing with SG in relation to this
- At this point it is forecast that only those cost reductions/ improvements identified through value and efficiency workstreams will be achieved
- Forecast is £23.580m worse than the brokerage limit set by Scottish Government and £1.376m worse than the target agreed with the Board in May 2024

MONTH 6 2024/2025 – SEPTEMBER 2024

KEY RISKS



- ASC– no plan in place to deliver breakeven
- Supplementary staffing – potential that spend could increase over winter period
- Prescribing & drugs costs – increases in both volume and cost
- Increasing ASC pressures – suppliers continuing to face sustainability challenges
- Health & Care staffing
- Ability to delivery Value & Efficiency Cost Reduction/ Improvement Targets
- AfC non pay impact – funding package may not cover all costs
- Availability of capital funding for backlog maintenance
- SLA Uplift
- Allocations less than anticipated

MITIGATIONS



- Adult Social Care funding from SG confirmed as higher than anticipated
- Development of robust governance structures around agency nursing utilisation
- Additional New Medicines funding
- Financial flexibility / balance sheet adjustments

MONTH 6 2024/2025 – SEPTEMBER 2024



Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
264.714	NH Communities	131.982	136.492	(4.510)	274.082	(9.368)
55.197	Mental Health Services	28.061	28.352	(0.291)	56.537	(1.339)
157.220	Primary Care	78.552	80.107	(1.555)	160.655	(3.435)
(15.273)	ASC Other includes ASC Income	(10.765)	(2.329)	(8.436)	(8.617)	(6.656)
461.859	Total HHSCP	227.830	242.622	(14.792)	482.657	(20.798)
	HHSCP					
287.750	Health	143.450	146.656	(3.206)	293.311	(5.560)
174.108	Social Care	84.380	95.965	(11.586)	189.346	(15.238)
461.859	Total HHSCP	227.830	242.622	(14.792)	482.657	(20.798)
	Delivering ASC to Breakeven				(15.325)	15.325
461.859	Revised Total HHSCP	227.830	242.622	(14.792)	467.333	(5.474)

Locum/ Agency & Bank Spend	In Month £'000	YTD £'000
Locum	510	3,135
Agency (Nursing)	268	1,568
Bank	667	4,871
Agency (exclu Med & Nurs)	165	854
Total	1,611	10,428

HHSCP

- Year to date overspend of £14.792m reported
- Forecast that this will decrease to £5.474m by FYE based on the assumption that further action will enable delivery of a breakeven ASC position
- Prescribing & Drugs continuing to be a pressure with £3.096m overspend built into forecast.
- Assuming delivery of £2.319m of ASC V&E cost reductions/ improvements in forecast – high risk
- Supplementary staffing costs continue to drive an overspend position – £2.749m pressure within the forecast
- £1.500m has been built into the forecast in respect of out of area placements

MONTH 6 2024/2025 – ADULT SOCIAL CARE



Services Category (HHSCP - less ASC Estates)	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Total Older People - Residential/Non Residential	58,517	29,617	28,422	1,195	54,079	4,438
Total Older People - Care at Home	37,208	18,499	20,188	(1,690)	40,120	(2,911)
Total People with a Learning Disability	49,926	25,019	27,052	(2,033)	55,737	(5,811)
Total People with a Mental Illness	10,340	5,175	4,787	389	9,587	754
Total People with a Physical Disability	9,331	4,677	5,020	(343)	10,328	(997)
Total Other Community Care	12,690	6,351	6,701	(350)	12,387	302
Total Support Services	(3,904)	(4,958)	2,949	(7,907)	6,040	(9,944)
Care Home Support/Sustainability Payments	-	-	846	(846)	1,068	(1,068)
Total Adult Social Care Services	174,108	84,380	95,965	(11,586)	189,346	(15,238)

NHSH Care Homes Supplementary Staffing

Care Home	Month 6		Total YTD £000's
	Bank £000's	Agency £000's	
Ach an Eas	13	-	97
An Acarsaid	6	-	54
Bayview House	16	-	103
Caladh Sona	-	-	8
Dail Mhor House			1
Grant House	19	3	107
Home Farm	11	106	616
Invernevis	9		66
Lochbroom	17		106
Mackintosh Centre			2
Mains House	2	52	330
Melvich	6		33
Pulteney	29		152
Seaforth	23		137
Strathburn			69
Telford	1		11
Wade Centre	6		48
Total	158	161	1,941

ADULT SOCIAL CARE

- A forecast overspend of £15.238m is reported. At this stage it is assumed that additional activity will enable delivery of a breakeven position at FYE. £15.325m of additional cost reductions/improvements will be required when ASC related property costs are included
- Assuming delivery £2.319m of cost reductions/ improvements against the target of £5.710m
- £1.941m of supplementary staffing costs within in-house care homes are included within the year to date position

MONTH 6 2024/2025 – ADULT SOCIAL CARE



ASC Funding Movements

	£m		£m
Initial ASC Gap	23.252	V&E Target	5.710
		Balance	17.542
Additional Funding	6.472		
Revised ASC Gap	16.780	V&E Target	5.710
		Balance	11.070

- Additional funding of £6.472m identified to reduce gap to £16.780m
- Revised forecast for delivery against V&E target of £2.319 – reduction due to ongoing system pressures and a push to increase the number of available Care Home beds and reduce delayed hospital discharges
- Deterioration in operational spend of £0.864m
- Further action required to deliver ASC breakeven position at FYE

Reconciliation to Month 6 ASC Position

	£m
Identified Funding Gap	16.780
Forecast delivery against V&E Target	2.319
Revised Funding Gap	14.461
Deterioration in ASC operational spend	0.864
Cost Reductions/ Cost Improvements/ Additional Funding required to deliver a breakend ASC position	15.325

MONTH 6 2024/2025 – ADULT SOCIAL CARE



Workstream	Target	Reported
12.5% Reduction in Management	300	310
Building Based Services	220	-
Younger Adults Complexity	510	-
Income Maximisation to care costs	900	900
Review of Option 1 and 2	500	500
Redesign of Inhouse Care Homes and CaH	900	609
Integrated Care Teams/Support	354	-
Unidentified Balance	2,026	-
Total	5,710	2,319

ASC COST IMPROVEMENT/ REDUCTION

- £5.7m V&E target
- Forecast delivery of £2.319m
- Delivery impacted by ongoing system pressures, push to increase Care Home capacity and additional support requested by providers

NORTH HIGHLAND COMMUNITIES - MONTH 6 2024/2025 – SEPTEMBER 2024



Current Plan £000	Detail	Plan to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Var from Curr Plan £000
78.328	Inverness & Nairn	39.213	40.746	(1.534)	82.790	(4.462)
56.115	Ross-shire & B&S	28.136	30.043	(1.907)	59.659	(3.545)
48.338	Caithness & Sutherland	24.569	24.873	(0.304)	50.025	(1.687)
55.924	Lochaber, SL & WR	28.007	28.182	(0.175)	56.613	(0.689)
7.127	Management	3.577	3.789	(0.212)	7.585	(0.457)
11.697	Community Other AHP	4.842	5.596	(0.754)	10.826	0.871
7.185	Hosted Services	3.637	3.262	0.375	6.584	0.601
264.714	Total NH Communities	131.982	136.492	(4.510)	274.082	(9.368)
88.981	Health	43.661	44.336	(0.675)	88.384	0.597
175.733	ASC	88.320	92.156	(3.835)	185.698	(9.965)

NORTH HIGHLAND COMMUNITIES

- £4.510m ytd overspend reported which is forecast to increase to £9.368m by the end of the financial year
- Within Health ongoing vacancies are mitigating cost pressures within Enhanced Community Services and Chronic Pain – both forecast overspends are lower than the 2023/2024 financial year
- Within ASC the main pressure areas are within independent sector provision particularly in Inverness & Nairn and Ross-shire & Caithness & Sutherland
- £0.700m of pressure associated with supplementary staffing in community hospitals and £1.470m of additional payments to providers further impacts on the position
- The year end forecast assumes delivery of ASC Value & Efficiency Cost Reductions/ Improvements of £2.319m

MENTAL HEALTH SERVICES - MONTH 6 2024/2025 – SEPTEMBER 2024



Current Plan £m's	Summary Funding & Expenditure	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
	Mental Health Services					
24.653	Adult Mental Health	13.077	12.925	0.152	25.770	(1.118)
15.671	CMHT	7.535	7.499	0.036	15.014	0.656
7.672	LD	3.837	4.491	(0.654)	8.885	(1.213)
7.202	D&A	3.613	3.437	0.176	6.867	0.335
55.197	Total Mental Health Services	28.061	28.352	(0.291)	56.537	(1.339)

MENTAL HEALTH SERVICES

- £0.291m overspend reported ytd with this forecast to increase to £1.339m by financial year end
- Within this service area Health is the driver of the overspend position
- The main drivers for the overspend continue to be agency nursing and medical locums – although a significant piece of work is ongoing to reduce these costs with the position beginning to look more positive
- Buvidal and Clozapine drug costs account for a further pressure of £0.249m
- A forecast of £1.500m has been built in for out of area costs with negotiations ongoing with the provider to bring these costs down

PRIMARY CARE - MONTH 6 2024/2025 – SEPTEMBER 2024



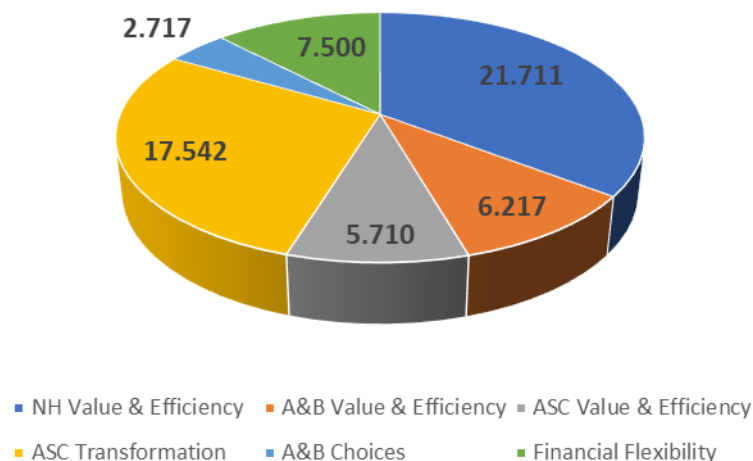
Current Plan £m's	Detail	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
	Primary Care					
55.463	GMS	28.112	29.231	(1.119)	57.085	(1.621)
67.238	GPS	33.777	35.323	(1.546)	70.557	(3.319)
24.330	GDS	12.310	11.302	1.008	22.985	1.345
5.688	GOS	2.895	2.903	(0.007)	5.695	(0.007)
4.501	PC Management	1.458	1.349	0.109	4.334	0.167
157.220	Total Primary Care	78.552	80.107	(1.555)	160.655	(3.435)

PRIMARY CARE

- £1.555m overspend reported ytd with this forecast to increase to £3.435m by financial year end
- £2.846m overspend of prescribing has been built into the year end forecast – both cost and volume are contributing to this position
- £1.378m has been built in to the forecast in respect of locums in 2C practices
- Vacancies in primary care management and GDS are mitigating overspends in other areas
- SG allocations for Primary Care are yet to be confirmed

MONTH 6 2024/2025 – SEPTEMBER 2024

Cost Reduction/ Improvement Target (£m)



COST REDUCTON/ IMPROVEMENT

- At the NHS Highland Board Meeting on 28 May the Board agreed to a proposed budget with a £22.204m gap from the brokerage cap
- Current forecasts suggest that year end out-turn will be £0.907m better than previously presented
- It should be noted that there is a high risk around delivery of this position as plans continue to be developed to support delivery of V&E targets
- In addition there is an assumption that further activity will enable delivery of a breakeven position within ASC

Board agreed plan	
	Target £000s
Opening Gap	112.001
Closing the Gap	
NH Value & Efficiency	21.711
A&B Value & Efficiency	6.217
ASC Value & Efficiency	5.710
ASC Transformation	17.542
A&B Choices	2.717
Financial Flexibility	7.500
GAP after improvement activity	50.604
GAP from Brokerage limit	22.204

MONTH 6 2024/2025 – SEPTEMBER 2024



Planned Value of 24-25 Efficiency of **£20.583m** (03/10/2024 £17.200m), is the value of the schemes currently listed on the Savings Tracker and is part of the total savings goal for the NH and A&B of **£51.180m**

	17/10/2024	03/10/2024
Target:	£51.180m	£51.180m
Currently achieved:	£10.485m	(£8.252m)
Forecast still to be delivered:	£10.097m	(£7,734m)
GAP (incl forecast):	£30.597m	(£35.194m)
Movement: £4.5m		

Reduction Programmes	V&E Plan			Next Year
	2024-25 Original Target (£'000)	Total Achieved & Forecasted	GAP	2025-26 Plan Achieved (£'000)
Value & Efficiency - North Highland	21,711	6,416	-15,295	3,416
Value & Efficiency - Argyll & Bute	6,217	5,535	-682	0
Total Value & Efficiency	27,928	11,951	-15,977	3,416
Value & Efficiency - ASC	23,252	8,631	-14,621	150
Total Value & Efficiency incl ASC	51,180	20,583	-30,597	3,566

MONTH 6 2024/2025 – SEPTEMBER 2024



2024-25 Efficiency Plan vs In Delivery & Forecast					
Cost Improvement Programme	Original Financial Plan 2024-25	Value of Efficiency in Delivery	Forecasted Value Still to be Delivered	In Delivery + Forecast	GAP
Accommodation staff/Agency	300	0	0	0	-300
Bed Capacity Planning	0	0	0	0	0
Corporate Teams Consolidation	100	166	49	215	115
Delayed Discharge and Length of Stay	0	0	0	0	0
Diagnostics	0	0	0	0	0
District Redesign	100	0	0	0	-100
External Room Hire	300	0	0	0	-300
Income Generation	1,500	67	0	67	-1,433
Integrated Service Planning	0	0	0	0	0
Leases & Agile Working	200	55	0	55	-145
Morse & TEC	0	0	0	0	0
On Call Rotas and Jnr Dr Compliance	600	0	0	0	-600
OOH	1,000	0	0	0	-1,000
Operational Digitisation Project	0	0	0	0	0
Oxygen Service	0	0	0	0	0
Patient Hub	0	0	0	0	0
Pelvic Health Pathway	0	0	0	0	0
People Review	0	0	0	0	0
Police Custody and SARC	200	0	0	0	-200
Prescribing	6,500	1,751	291	2,042	-4,458
Printing Devices	0	0	0	0	0
Procurement Consolidation and Efficiency	100	507	0	507	407
Rates Review Rebates (Historic)	0	620	0	620	620
Remote Outpatients & Virtual Capacity	0	25	0	25	25
Service Level Agreements	310	0	0	0	-310
Shared Services	0	0	0	0	0
Stock Management Review	0	0	0	0	0
Stores, Logistics and Fleet	0	0	0	0	0
Supplementary Staffing	8,500	1,861	1,024	2,885	-5,615
Telephony	0	0	0	0	0
Theatre Optimisation & PLCV	0	0	0	0	0
Transformation and Resilience of Admin	1,000	0	0	0	-1,000
Travel	1,000	0	0	0	-1,000
Vacancy Panel	0	0	0	0	0
Vaccination Service	0	0	0	0	0
Waste Management / Infection Prevention & Control	0	0	0	0	0
Total North Highland	21,710	5,052	1,364	6,416	-15,294
Argyll & Bute Schemes	6,218	5,283	252	5,535	-683
Total North Highland & Argyll & Bute	27,928	10,335	1,616	11,951	-15,977
Adult Social Care Schemes	23,252	150	8,481	8,631	-14,621
Total North Highland, Argyll & Bute & ASC	51,180	10,485	10,097	20,583	-30,597

Position at 17/10/2024

MONTH 6 2024/2025 – SEPTEMBER 2024

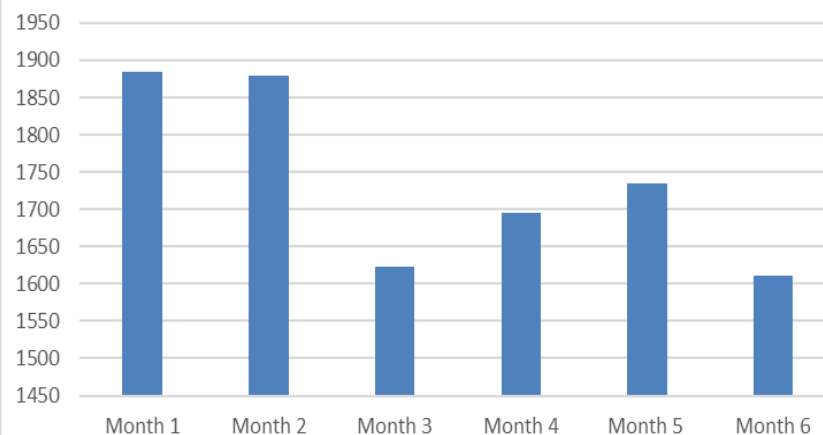
	2024/2025	2023/2024	Inc/ (Dec)
	YTD £'000	YTD £'000	YTD £'000
HHSCP	10,428	12,171	(1,744)

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
	Pay			
31.005	Medical & Dental	12.832	13.338	(0.506)
49.983	Medical & Dental Support	2.098	2.106	(0.008)
15.559	Nursing & Midwifery	32.621	32.420	0.201
16.348	Allied Health Professionals	8.226	7.582	0.643
0.072	Healthcare Sciences	0.036	0.029	0.008
8.821	Other Therapeutic	4.065	4.619	(0.553)
6.577	Support Services	3.302	3.055	0.247
20.905	Admin & Clerical	10.021	10.297	(0.276)
0.389	Senior Managers	0.194	0.070	0.124
51.590	Social Care	25.670	24.146	1.523
0.402	Ambulance Services	0.201	0.245	(0.044)
(2.857)	Vacancy factor/pay savings	(1.453)	0.000	(1.453)
198.795	Total Pay	97.813	97.907	(0.095)

SUPPLEMENTARY STAFFING

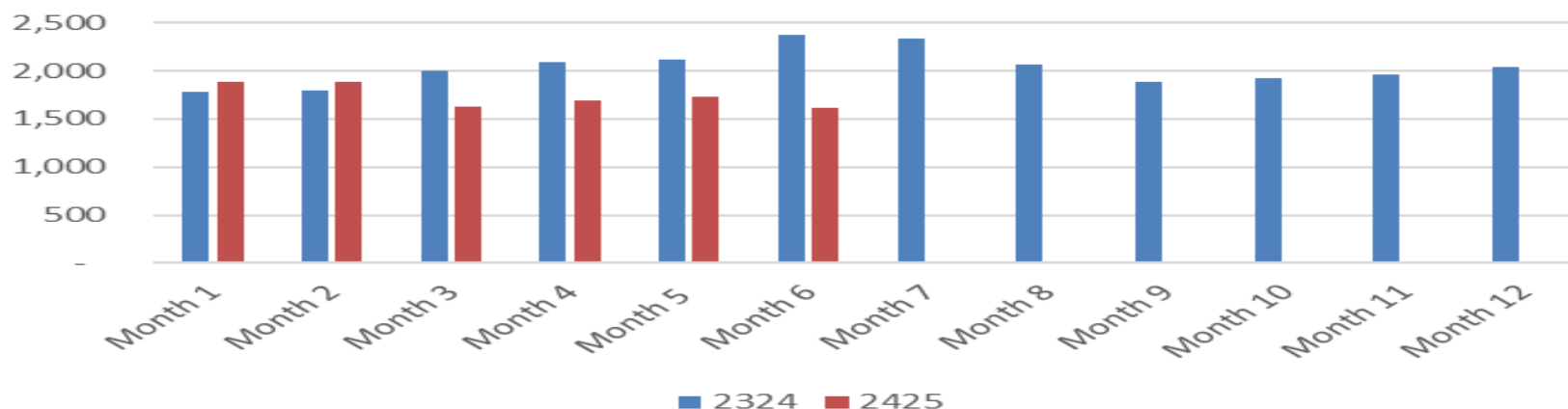
- Total spend on Supplementary Staffing at end of Month 6 is £1.744
- lower than at the same point in 2023/2024.
- There is an overspend of £0.095m on pay related costs at the end of Month 6

HHSCP - TOTAL SUPPLEMENTARY SPEND
2024/2025

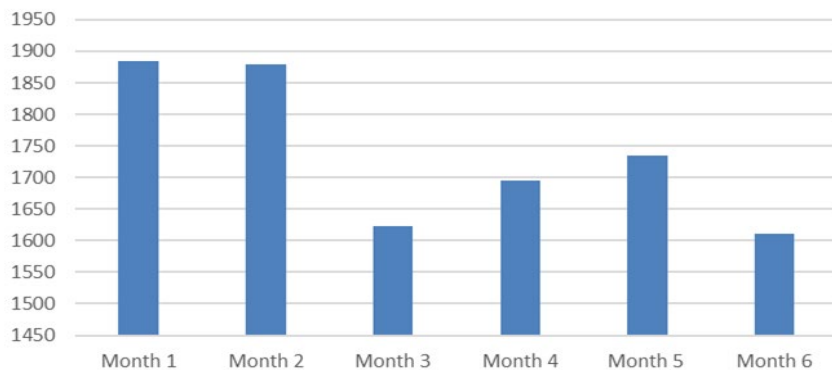


MONTH 6 2024/2025 – SEPTEMBER 2024

HHSCP - SUPPLEMENTARY STAFFING - MONTHLY RUN RATE



HHSCP - TOTAL SUPPLEMENTARY SPEND 2024/2025



- Month 6 spend is £0.124m lower than month 5
- YTD Reduction of £1.744m compared to 2023/2024

MONTH 6 2024/2025 – SEPTEMBER 2024

Current Plan £m	Detail	Plan Detail £m	Actual Detail £m	Variance Detail £m
	Expenditure by Subjective Spend			
197.392	Pay	81.054	81.482	(0.428)
57.278	Drugs and Prescribing	23.846	25.589	(1.743)
2.461	Property Costs	0.998	1.206	(0.207)
29.332	General Non Pay	9.200	5.870	3.329
5.288	Clinical Non Pay	2.183	3.305	(1.122)
6.961	Healthcare SLA and OOA	2.926	3.003	(0.077)
133.658	Social Care ISC	56.121	59.934	(3.813)
78.863	FHS	33.940	33.119	0.821
	Allocations/commitments			
(25.391)	Operational Income	(10.609)	(11.461)	0.851
(25.065)	Savings	(10.314)	0.000	(10.314)
460.776		189.345	202.047	(12.702)

SUBJECTIVE ANALYSIS

- Pressures continued within all expenditure categories
- The most significant overspends are within clinical non pay
- Pay is overspent by £0.428m – as a result of supplementary staffing spend which is in partly mitigated by vacancies – and the provision of social care from the independent sector
- Drugs and prescribing expenditure is currently overspent by £1.743m - this is split £0.280m within hospital drugs and £1.463m in primary care prescribing – this is a significant area within the Board's Value and Efficiency programme