



Meeting: Highland Health & Social Care Committee
Meeting date: 29 June 2022
Title: HHSCC Finance Report – Month 2 2022/2023
Responsible Executive/Non-Executive: Louise Bussell, Chief Officer, Highland Community
Report Author: Elaine Ward, Deputy Director of Finance

1 Purpose

This is presented to the Committee for:

- Discussion

This report relates to a:

- Annual Operation Plan

This aligns to the following NHSScotland quality ambition:

- Effective

This report relates to the following Corporate Objective(s)

Clinical and Care Excellence <ul style="list-style-type: none"> • Improving health • Keeping you safe • Innovating our care 	Partners in Care <ul style="list-style-type: none"> • Working in partnership • Listening and responding • Communicating well 	√
A Great Place to Work <ul style="list-style-type: none"> • Growing talent • Leading by example • Being inclusive • Learning from experience • Improving wellbeing 	Safe and Sustainable <ul style="list-style-type: none"> • Protecting our environment • In control • Well run 	√ √
Other (please explain below)		

2 Report summary

2.1 Situation

This report is presented to enable discussion on the Highland Health & Social Care Partnership financial plan for 2022/2023.

2.2 Background

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. This plan identified an initial budget gap of £42.272m. A savings programme of £26.000m is planned and work continues both in Board and nationally to identify ways to close the remaining £16.272m gap.

2.3 Assessment

The HHSCP faces a challenging financial year with a requirement to identify significant savings and cost reductions. This challenge comes against the backdrop of a Scottish Government drive to increase investment in Adult Social Care and the development of the National Care Service.

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Substantial	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>
Limited	<input type="checkbox"/>	None	<input type="checkbox"/>

3 Impact Analysis

3.1 Quality/ Patient Care

Achievement of a balanced financial position for NHS Highland in 2022/2023 is predicated on closing the initial budget cap of £42.272m. The impact of quality of care and delivery of services is assessed at an individual scheme level using a Quality Impact Assessment tool. All savings are assessed using a QIA which can be accessed from the Programme Management Office.

3.2 Workforce

There is both a direct and indirect link between the financial position and staff resourcing and health and wellbeing. Through utilisation of the Quality Impact Assessment tool the impact of savings on these areas is assessed.

3.3 Financial

Delivery of a balanced position presents a significant challenge to both NHS Highland and the Highland Health and Social Care Partnership.

3.4 Risk Assessment/Management

Scottish Government's covid funding package mitigated against the risk of not achieving a balanced budget position in 2021/2022.

3.5 Data Protection

N/A

3.6 Equality and Diversity, including health inequalities

An impact assessment has not been completed because it is not applicable

3.7 Other impacts

None

3.8 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage both internal and external stakeholders where appropriate through the following meetings:

- Executive Directors Group – via monthly updates and exception reporting
- Financial Recovery Board held weekly
- Discussion at relevant Senior Leadership Team meetings
- Quarterly financial reporting to Scottish Government

3.9 Route to the Meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

-

4 Recommendation

- **Discussion** – Committee discuss the Highland Health and Social Care financial plan for 2022/2023.

4.1 List of appendices

The following appendices are included with this report:/

- Appendix 1 – 2022/2023 Funding
- Appendix 2 – Agreed areas of investment June 2022
- Appendix 3 – Allocations expected but not confirmed June 2022

Meeting: Highland Health & Social Care Committee
Meeting date: 29 June 2022
Title: HHSCC Finance Report – Month 2 2022/2023
Responsible Executive/Non-Executive: Louise Bussell, Chief Officer Highland Community
Report Author: Elaine Ward, Deputy Director of Finance

1 NHS Highland 2022/2023 Financial Plan

- 1.1 A one year Financial Plan for 2022/2023 has been submitted to Scottish Government. There is an expectation that this will be revisited at the end of Quarter 1.
- 1.2 The Financial Plan submitted identifies an initial budget gap of £42.272m with a CIP programme of £26.000m planned. This leaves a balance of £16.272m unfunded at this stage. Discussion around this unfunded element are ongoing with Scottish Government with workstreams looking at the issue both with Board and nationally.
- 1.3 The Cost Improvement Programme is being developed through our Programme Management Office, Chief Officers and Heads of Service and monitored via the Financial Recovery Board.

2 Budget for 2022/2023

- 2.1 The budget has been built on the basis of a baseline uplift of 3% - £21.2m. This includes £3.1m to maintain Boards within 0.8% of NRAC parity.
- 2.2 Initial funding has been allocated in line the Scottish Public Sector Pay Policy and will be the starting point in Agenda for Change pay settlement discussions – funding arrangements for Boards will be revisited by Scottish Government in line with the outcome of pay negotiations.
- 2.3 The Scottish Government budget also provided funding to support key policy areas as below:

• Primary Care	£262.5m
• Waiting Times	£232.1m
• Mental Health & CAMHS	£246.0m
• Trauma Networks	£44.2m
• Drug Deaths	£61.0m

Allocation details by Boards will be set out by individual policy areas.

2.4 At the time of submission of this plan Boards were asked to assume that all Covid related costs would attract additional funding. Richard McCallum has subsequently written to all Boards and IJBs indicating that further funding will not be forthcoming in 2022/2023. A Covid savings workstream has been established at a national level to reduce predicted costs to a level manageable within the available resource in IJB reserves or being managed by SG. On this basis this is an area which will be reviewed through quarter 1 and represents a financial risk to NHS Highland.

3. Highland Health & Social Care Partnership 2022/2023 Budget

3.1 The current HHSCP budget for 2022/2023 is detailed in Table 1. As the year progresses further budget drawdowns will be made in respect of additional and specific allocations from SG and following any investment decision agreed through Joint Officers Group and Joint Monitoring Committee.

Table 1

Current Plan £m	Detail
	HHSCP
209.947	NH Communities
42.558	Mental Health Services
136.386	Primary Care
7.879	ASC Other
396.770	Total HHSCP
	Costs held in Support Services
(15.654)	ASC Income
381.116	Total HHSCP and ASC Income/Covid
	HHSCP
239.319	Health
141.798	Social Care
381.116	Total HHSCP

3.2 In support of the 2022/2023 HHSCP budget Highland Council are managing an amount of funding over the financial year end period in respect of slippage on allocations received during 2021/2022. IJBs would routinely be able to carry these amounts from year to year in earmarked reserves. Within NHS Highland the lead agency arrangement doesn't offer this level of flexibility and any slippage would normally support the overall bottom line position. Recognising the lateness of a number of allocations and the final covid funding allocation which was received to cover both final 2021/2022 costs and costs incurred in 2022/2023 Scottish Government and Highland Council have worked with NHS Highland to ensure this funding is available in 2022/2023.

3.3 Highland Council are managing a sum of £16.352m – this reflects slippage on the winter funding allocations for ASC and covid related funding required to cover covid cost estimates for 2022/2023. Table 2 provides detail on this breakdown.

Table 2

HC Managed Funding	£m
Care At Home	2.730
Interim Care	1.761
Real Living Wage	1.350
Social Care Workforce Uplift	1.827
MDT	0.881
Band 2 - 4	0.703
Covid Related ASC Costs	7.100
Total	16.352

- 3.4 £9.252m of non covid related funding is being managed by Highland Council. The planning assumption within the financial plan and initial funding discussions with Highland Council assumed £5.400m of slippage would be managed. The increase reflects a reduction in the level of additional resource drawn down during 2021/2022. This position will be reviewed and adjusted following sign off of the 2021/2022 Annual Accounts.
- 3.5 The 2021/2022 slippage (£9.252m) is built into the funding assumption for 2022/2023. A summary of the current funding assumption is detailed in Appendix 1.

4 2022/2023 ASC Funding Allocations

- 4.1 A substantial funding package for Health & Social Care was announced in October 2021 with specific allocations received in respect of:
- **Multi-Disciplinary working** – funding to support the strengthening of Multi-Disciplinary working across the health and social care system to support discharge from hospital and to ensure that people can be cared for as close to home as possible, reducing avoidable admissions to hospital. This funding is recurrent.
 - **Recruitment of additional health care support workers** – funding was made available to support the recruitment of 1,000 additional bands 2-4 nationally (47 posts within North Highland) to provide additional capacity across a variety of services both in the community and in hospital settings. This funding is recurrent.
 - **Providing interim care** – funding was provided to enable patients in hospitals to move into care homes and other community settings, on an interim basis, to ensure they can complete their recovery in an appropriate setting. This funding is non-recurrent and will cease at the end of 2022/2023.
 - **Expanding Care at Home Capacity** – funding to build care at home community based service to help fulfil unmet need and deal with a surge in demand and complexity of individual needs, also helping to ease pressures on unpaid carers. This funding is recurrent.
 - **Social Care Pay Uplift** – funding was provided in 2021/2022 to increase the hourly rate of Adult Social Care Staff offering direct care from at least £9.50 per hour to at least £10.02 per hour. In 2022/2023 this funding will enable a further increase to at least £10.50 per hour. This funding is recurrent.

- 4.2 This significant uplift in funding is welcome but recruitment challenges resulted in the slippage described in paragraphs 3.2, 3.3 & 3.4. These challenges remain in 2022/2023 but detailed plans continue to be developed to ensure the maximisation of benefits accruing from this funding.
- 4.3 Appendix 2 to this paper provides more detail around the areas where investment has been agreed.
- 4.4 In addition to the areas detailed on Appendix 2 proposals are being developed to enhance Community Services in Inverness and Mid-Ross, investment in community flow co-ordinators, restructuring of West care at home services and overnight care services in East Caithness. Further detail will be brought back to a future meeting of the Committee.
- 4.5 A total investment of £4.346m (£0.533m of which has been funded from a Board allocation not specific to ASC) has been agreed in line with the ask of the funding plus £0.240m within Highland Council for additional Mental Health Officers and legal support. This leave £11.187m currently available for investment. Work continues to progress to recruit to posts to increase Care @ Home Capacity and improve flow across the Health & Social Care system.
- 4.6 There is a risk that investment needs to be curtailed if there is significant slippage in delivering the ASC cost improvement programme.

5 Non-ASC Allocations

- 5.1 At this stage in the financial year we are still awaiting confirmation from Scottish Government on all non core allocations with the exception of those detailed in Section 4.
- 5.2 Appendix 3 lists a number of allocations expected but not yet confirmed. As confirmation on these allocations is received detail will be brought back to Committee.

6 ASC Savings Programme

- 6.1 A £3.070m Cost Improvement Programme has been established within ASC there are currently 7 schemes in the pipeline with a risk adjusted value of £1.550m.
- 6.2 The HHSCP, excluding ASC, has a CIP target of £6.360m. Schemes are in the early stage of development and have a risk adjusted value of £0.190m
- 6.3 There is a significant risk associated with the achievement of the savings targets.

7 Recommendation

- Highland Health & Social Care Committee members are invited to discuss the budget and funding position for 2022/2023.

2022/2023 Funding			
Expenditure			
Estimated Expenditure 2021/2022	145.4		
2022/2023 Expenditure Increases			
Pay inflation	0.7		
Non-Pay inflation	0.1		
Carers	0.5		
Additional Packages/ Transitions	1.5		
	2.8		
2022/2023 Expenditure before SG Initiatives	148.2		
£10.02 uplift	4.6		
Free Personal Care	0.6		
Multi Disciplinary Teams	1.8		
£10.50 uplift	4.2		
MHO & Legal Officer HC	0.2		
Committed 2022/2023 Expenditure	159.6		
Funding			
	Recurrent	Non- Recurrent	Total
Highland Council	107.6	-	107.6
NHS Highland	27.3	-	27.3
	134.9	-	134.9
Additional SG Resource			
£10.02 uplift	7.8	-	7.8
Carers	-	0.9	0.9
Increase in Personal & Nursing Care	0.7	-	0.7
Care @ Home Capacity	5.5	-	5.5
Interim Care	-	0.9	0.9
Health & Social Care Funding (in £10.50 uplift)	8.9	-	8.9
Multi Disciplinary Teams	1.8	-	1.8
Additional Social Work Capacity in ASC	1.0	-	1.0
	25.7	1.8	27.5
2021/2022 Year End Flexibility	-	9.3	9.3
ASC Savings Programme	-	3.0	3.0
Total Available Resource	160.6	14.1	174.7
Available for Investment	0.2	14.1	15.0

Agreed areas of investment – June 2022

Business Case/SBAR Title	Annual Cost	Duration (months)	SG - MDT (Rec)	SG - Add'l B3&4 (Rec)	SG - ICF (N/R)	SG - CaH (Rec)	Add'l ASC SW Capacity
2022/23 Allocation	10,162,000		1,762,000	1,321,500	880,500	5,460,000	738,000
Posts agreed at ASCLT in 2021	296,799	Permanent	-	-	-	296,799	-
Social Work Team to Support Discharge (4.1)	338,735	Permanent	338,735	-	-	-	-
Stengthen Social Work Teams (4.2)	789,106	Permanent	789,106	-	-	-	-
Stengthen Social Work Teams (4.3)	169,831	Permanent	169,831	-	-	-	-
Community Response Team	1,585,735	Permanent	-	533,232	-	1,052,503	-
H&SCC - 27 April 2022	1,166,107	Permanent	-	-	-	1,166,107	-
Total Funding agreed	4,346,313		1,297,671	533,232	-	2,515,409	-

The funding for additional bands 3-4 is a Board allocation and not specific to ASC.

The current investment from ASC funding is £3.813m

Allocations expected but not confirmed - June 2022

DESCRIPTION	2021/2022 ALLOCATION £m
Mental Health Recovery & Renewal Fund (CAMHS & PT)	2.172
District Nurse Posts	0.322
Mental Health Strategy Action 15 Workforce – First Tranche	1.055
Primary Care Improvement Fund – Tranche 1	4.615
Funding for Alcohol & Drug Partnerships	0.890
School Nurse Commitment Tranche 1 (passed to HC)	0.598
CAMHS improvement – Intensive Psychiatric Care Units	0.109
CAMHS improvement – Intensive Home Treatment Teams	0.132
CAMHS improvement – LD, Forensic & Secure CAMHS	0.046
CAMHS improvement – Out of Hours unscheduled care	0.077
CAMHS improvement – CAMHS Liaison Teams	0.115
CAMHS improvement – Neurodevelopmental professionals	0.202
Mental Health Outcomes Framework	1.321
Primary Care Improvement Fund – Tranche 2	5.109
Mental Health Strategy Action 15 Workforce – Tranche 2	0.997