

HHSCC Finance Report – Month 4 (July 2023)

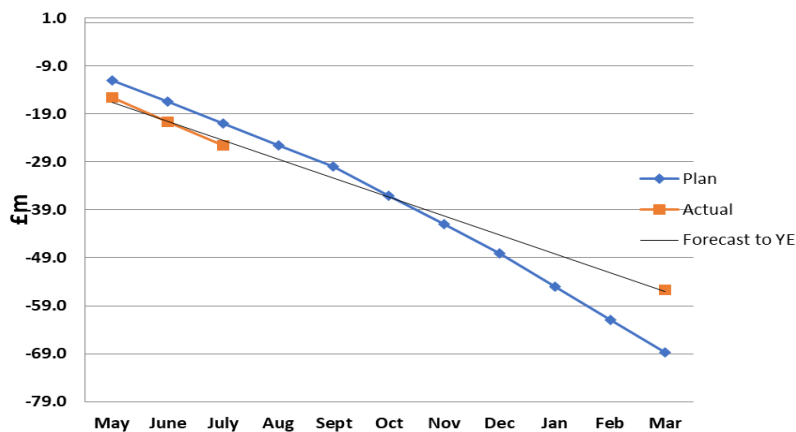
MONTH 4 2023/2024 – JULY 2023

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,147.549	Total Funding	372.077	372.077	-	1,147.549	-
	Expenditure					
442.792	HHSCP	148.329	152.821	(4.492)	448.127	(5.335)
288.814	Acute Services	97.658	105.302	(7.644)	304.298	(15.483)
155.062	Support Services	43.644	56.592	(12.948)	189.218	(34.156)
886.669	Sub Total	289.631	314.715	(25.085)	941.643	(54.974)
260.881	Argyll & Bute	82.446	82.881	(0.435)	261.681	(0.800)
1,147.549	Total Expenditure	372.077	397.596	(25.519)	1,203.324	(55.774)

MONTH 4 2023/2024 SUMMARY

- YTD overspend of £25.519m reported
- Overspend forecast to increase to £55.774m by the end of the 2023/2024 financial year
- YTD position includes slippage against the CIP of £8.171m
- Cost improvement/ reductions of £28.843m assumed within the year end forecast
- Forecast position is £12.898m better than that presented within the financial plan which was submitted to SG in March 2023. This reflects additional funding received from SG in respect of Sustainability & NRAC Parity (£8.030m) and additional New Medicines Funding (£6.590m)

Monthly Trajectory



MONTH 4 2023/2024 – JULY 2023

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
247.710	NH Communities	83.587	86.775	(3.188)	254.826	(7.116)
48.506	Mental Health Services	16.386	19.624	(3.238)	52.269	(3.763)
146.512	Primary Care	48.613	48.823	(0.210)	148.344	(1.831)
0.064	ASC Other includes ASC Income	(0.257)	(2.401)	2.144	(7.313)	7.376
442.792	Total HHSCP	148.329	152.821	(4.492)	448.127	(5.335)
	HHSCP					
268.704	Health	89.771	94.349	(4.578)	274.039	(5.335)
174.088	Social Care	58.558	58.472	0.085	174.088	-
442.792	Total HHSCP	148.329	152.821	(4.492)	448.127	(5.335)

HHSCP

- YTD overspend of £4.492m reported
- Forecast that this will increase to a £5.335m overspend by financial year end
- Slippage of £2.998m against the CIP reported in the YTD position with full delivery being forecast by financial year end
- Continuing pressures with agency nursing in Mental Health and in-house Care Homes (£2.102m)
- Locum usage within both Mental Health and 2C practices (£1.581m) continues to have a significant impact on the forecast position
- A £1.000m prescribing pressure is forecast due to an increase in both cost of drugs and the volume of scripts being issued
- Previously reported pressures in Enhanced Community Services and Chronic Pain are continuing with these services reviewing their current cost base.

NORTH HIGHLAND COMMUNITIES

Current Plan £000	Detail	Plan to Date £000	Actual to Date £000	Variance to Date £000	Forecast Outturn £000	Var from Curr Plan £000
72.312	Inverness & Nairn	24.179	24.935	(0.755)	74.795	(2.483)
52.215	Ross-shire & B&S	17.853	18.349	(0.496)	53.305	(1.090)
45.959	Caithness & Sutherland	15.636	16.549	(0.914)	47.900	(1.941)
54.334	Lochaber, SL & WR	18.357	18.864	(0.507)	54.775	(0.441)
11.128	Management	3.576	4.011	(0.435)	12.229	(1.101)
6.239	Community Other AHP	2.114	2.054	0.060	6.047	0.193
5.523	Hosted Services	1.871	2.013	(0.142)	5.775	(0.252)
247.710	Total NH Communities	83.587	86.775	(3.188)	254.826	(7.116)

- Unfunded services within Chronic Pain and Enhanced Community Services continue to be a driver for the forecast overspend – both services are being reviewed to bring the overall cost of service delivery within the funding envelope
- As in all other areas supplementary staffing is creating a pressure – particularly in in-house care homes

MENTAL HEALTH SERVICES

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					
22.718	Adult Mental Health	7.706	9.222	(1.516)	24.767	(2.049)
13.196	CMHT	4.309	4.684	(0.375)	12.630	0.566
6.555	LD	2.328	3.299	(0.971)	8.149	(1.594)
6.037	D&A	2.043	2.419	(0.376)	6.723	(0.686)
48.506	Total Mental Health Services	16.386	19.624	(3.238)	52.269	(3.763)

- Locum costs and agency nursing continue to be the main drivers behind the forecasts overspend – both areas are focused areas of work within the 3 Horizons programme to deliver cost reductions/ improvements

PRIMARY CARE

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					
52.025	GMS	17.707	17.912	(0.206)	52.858	(0.833)
62.963	GMS	20.934	21.273	(0.339)	63.968	(1.005)
22.660	GPS	7.328	7.020	0.308	22.532	0.128
4.887	GOS	1.679	1.669	0.009	4.888	(0.001)
3.978	Primary Care Management	0.966	0.949	0.017	4.098	(0.120)
146.512	Total Primary Care	48.613	48.823	(0.210)	148.344	(1.831)

- Prescribing costs are a significant contributory factor to the forecast overspend with an increase in both the number of scripts and costs. There is a risk that these costs could increase ahead of the forecast position
- Locum costs within 2C practices continue to drive the position with ongoing difficulties in recruiting to vacancies

MONTH 4 2023/2024 – JULY 2023

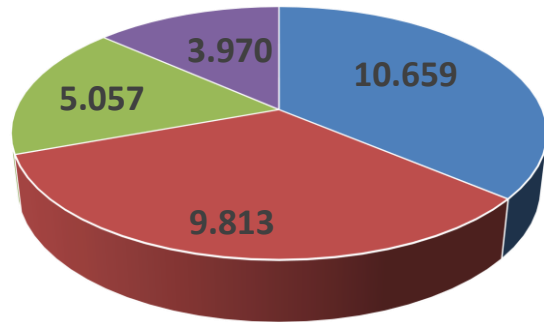
Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Older People - Residential/Non Residential Care	57,235	19,413	19,708	(295)	58,147	(911)
Older People - Care at Home	34,195	11,433	11,942	(509)	35,581	(1,387)
People with a Learning Disability	40,116	13,424	14,031	(608)	44,103	(3,987)
People with a Mental Illness	8,008	2,664	2,765	(101)	7,926	81
People with a Physical Disability	7,970	2,682	2,800	(117)	8,570	(600)
Other Community Care	17,588	6,030	6,050	(20)	17,868	(280)
Support Services	9,500	3,088	1,298	1,789	2,413	7,087
Care Home Support/Sustainability Payments	-	-	139.18	(139)	227.03	(227)
Total Adult Social Care Services	174,611	58,733	58,733	-	174,835	(224)
Total ASC less Estates	174,088	58,558	58,472	85	174,088	-

ADULT SOCIAL CARE

- Breakeven position currently forecast
- NCHC uplift agreed at 6.5%
- Some of original planning assumptions around potential additional costs are not materialising at the level anticipated
- An increase in the number of high cost LD packages is driving the projected overspend within this area
- The independent sector are continuing to experience sustainability challenges due to increasing costs and difficulty recruiting. NHS Highland are working with the sector to provide support to enable continuity of service provision where possible
- Position supported by funding held by Highland Council from the 2021/2022 financial year

MONTH 4 2023/2024 – JULY 2023

£29.500m Cost Improvement Programme



■ HHSCP ■ Acute ■ Support Services ■ A&B

COST IMPROVEMENT

- £29.500m CIP programme planned
- At the end of Month 4 slippage against the CIP is reported
- Cost improvements of £28.843m are built into the year end forecast
- There is a risk around non-delivery of this level of cost improvements but there is an ongoing focus on developing and delivering programmes of work which will support financial balance

	Target £000s	YTD Target £000s	Achieved YTD £000s	YTD Variance £000s	Forecast Savings £000s	Forecast Variance £000s
HHSCP	10,659	3,553	555	(2,998)	10,659	-
Acute	9,813	3,271	-	(3,271)	9,813	-
Support Services	5,057	1,686	357	(1,329)	5,057	-
A&B	3,970	1,323	750	(573)	3,313	(657)
TOTAL	29,500	9,833	1,662	(8,171)	28,843	(657)

MONTH 4 2023/2024 – JULY 2023

All Horizon 1 Schemes by Unit					
Division	Target £000s	Estimated Value of Schemes £000s	23-24 Plan £000s	Savings/Cost Reduction Delivered £000s	Variance (Target Less Savings Delivered) £000s
Acute	9,813	8,263	5,335	5,400	(4,413)
HHSCP - Health	6,546	3,288	1,036	1,035	(5,511)
HHSCP - ASC	4,113	1,395	-	-	(4,113)
Support Services	5,057	2,318	1,142	1,142	(3,915)
A & B IJB	3,970	2,250	2,250	2,250	(1,720)
Grand total	29,500	17,514	9,762	9,827	(19,673)

All Horizon 1 Schemes by Workstream					
Workstream	Target £000s	Estimated Value of Schemes £000s	23-24 Plan £000s	Savings/Cost Reduction Achieved £000s	Variance (Target Less Savings Delivered) £000s
Service Redesign and Reform		330	-	-	-
Workforce - Medical Locums	2,460	3,871	2,667	2,715	255
Workforce - Nursing Agency	5,000	2,691	2,191	2,071	(2,929)
Non Medical Agency	140	-	-	-	(140)
Workforce - Permanent Staff	2,500	795	645	645	(1,855)
Workforce - Other		1,846	489	489	489
Other Non-Pay	265	2,613	1,323	1,460	1,195
Prescribing	1,150	998	-	-	(1,150)
Procurement	2,000	1,284	170	170	(1,830)
Infrastructure		107	-	-	-
ASC	4,113	-	-	-	(4,113)
Digital		106	-	-	-
A&B Schemes	3,970	2,250	2,250	2,250	(1,720)
Non Rec Measures		-	-	-	-
Income Generation		623	27	27	27
Unidentified	7,902	-	-	-	(7,902)
Grand total	29,500	17,514	9,762	9,827	(19,673)

3 HORIZONS

- Efficiency and Transformation Governance Group has been established and is meeting weekly to ensure plans are being co-ordinated and when plans move to delivery will monitor process
- At the end of Month 4 the full year estimate of schemes on the Horizon 1 tracker is £17.514m – it is estimated that this will translate to an in year value of £9.762m
- £5.992m of 2023/2024 estimate for North Highland relates to workforce with a focus on reducing reliance on agency and locum staffing

Schemes in progress

Agency Nursing

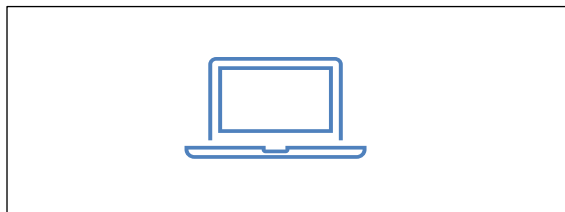
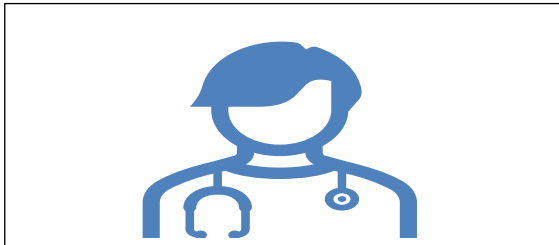
Medical Locum

Prescribing – wound management & continence products

OOH redesign

Digital systems

MONTH 4 2023/2024 – JULY 2023



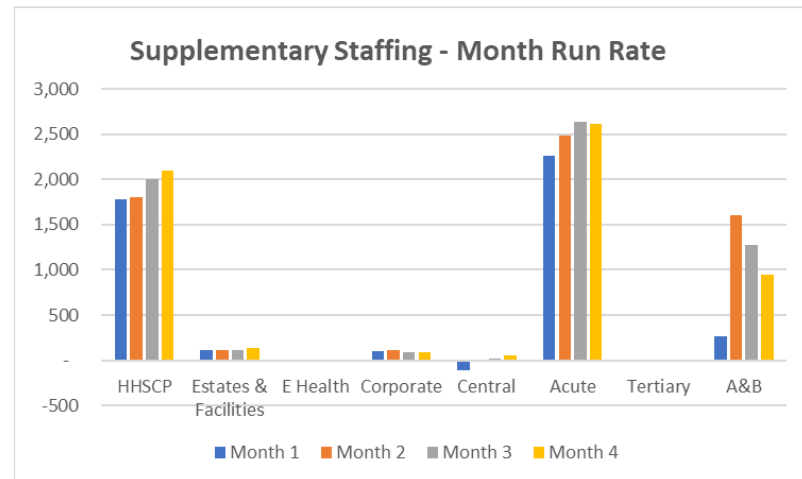
FOCUS SAVINGS AREAS

- 3 focussed working groups
- Workforce – focussing on supplementary staffing through:
 - Processes
 - Rostering
 - Safe staffing levels
 - Locum review
- Prescribing & drugs:
 - Processes
 - Challenge of new drugs/ high cost drugs
 - Drug switches
 - Link to Realistic Medicine work
 - Primary Care Prescribing
- Digital:
 - Maximising use of digital systems already in place (e-rostering), order comms, patient hub, HEPMA, MS265, etc)

MONTH 4 2023/2024 – JULY 2023

	2023/2024 YTD £'000	2022/2023 YTD £'000	Inc/ (Dec) YTD £'000
HHSCP	7,681	3,450	4,231
Estates & Facilities	488	86	402
E Health	7	-	7
Corporate	386	413	(27)
Central	(57)	(56)	(1)
Acute	9,996	7,584	2,412
Tertiary	1	-	1
TOTAL	18,502	11,477	7,024

Argyll & Bute spend at month 4 £4.093m – TOTAL SPEND £22.595m



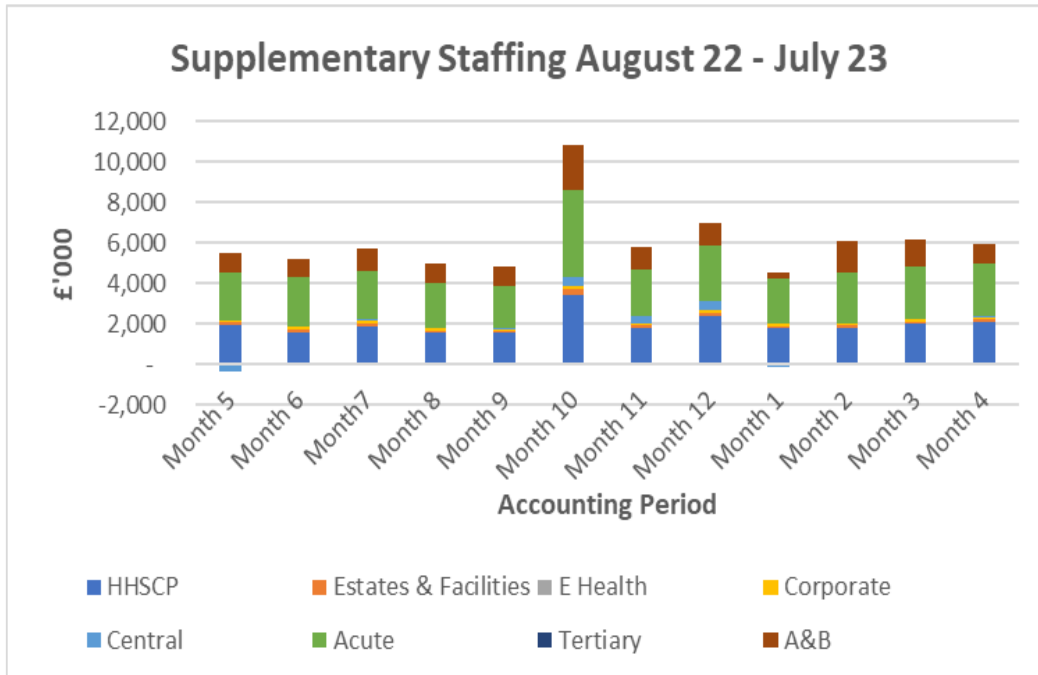
SUPPLEMENTARY STAFFING

- Total spend on Supplementary Staffing at Month 4 is £22.595m – overspend on pay costs at Month 4 is £2.434m
- The YTD spend within North Highland is £7.024m higher than at the same point last FY
- £5.992m of 2023/2024 cost reduction/ improvement estimate for North Highland relates to workforce with a focus on reducing reliance on agency and locum staffing
- Horizon 1 initiatives are yet to impact on the run rate

Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m
Pay			
Medical & Dental	36.569	38.692	(2.124)
Medical & Dental Support	2.195	2.692	(0.497)
Nursing & Midwifery	69.572	71.902	(2.330)
Allied Health Professionals	13.380	12.817	0.563
Healthcare Sciences	5.521	5.531	(0.010)
Other Therapeutic	7.381	6.854	0.527
Support Services	14.952	14.356	0.595
Admin & Clerical	27.898	27.435	0.463
Senior Managers	1.128	0.902	0.226
Social Care	18.701	17.511	1.190
Vacancy factor/pay savings	(1.563)	(0.526)	(1.036)
Total Pay	195.733	198.167	(2.434)

MONTH 4 2023/2024 – JULY 2023

SUPPLEMENTARY STAFFING



- The rolling 12 month position highlights that months 2-4 in the 2023/2024 financial year are running at a higher rate of spend than previous months – whilst increased pay rates will be a contributory factor this highlights the reliance on this staffing pool from quarter 4 in 2022/2023
- Month 10 in 2022/2023 is an outlier due to the system and reporting issues experienced at this time. Month 10 includes an element of costs which would routinely have been reported in Month 9, 10 or 11 .
- If Month 9, 10 & 11 costs are smoothed out it shows a clearer increase in Q4 which is being replicated into Q1 in 2023/2024

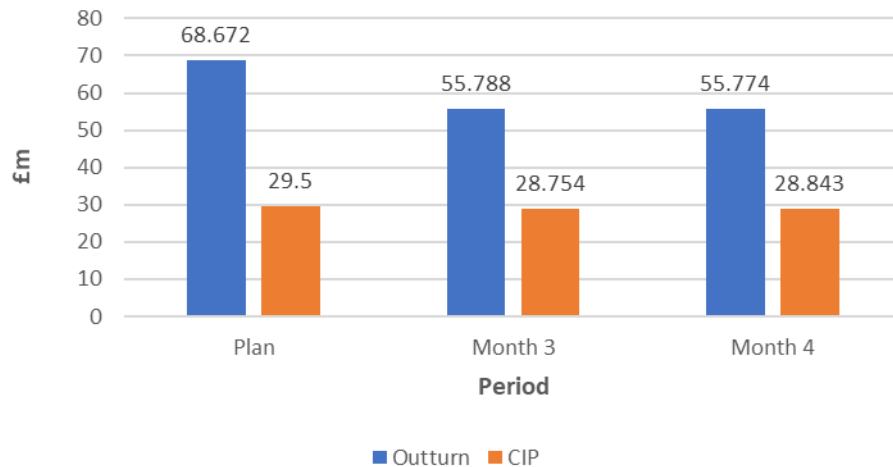
MONTH 4 2023/2024 – JULY 2023

	Operational Delivery	Savings Delivered	Forecast Position
Best Case	(84.617)	28.843	(55.774)
Worst Case	(92.175)	4.426	(87.749)
Likely	(83.795)	17.700	(66.095)

FORECAST POSITION

- The current year end forecast of £55.774m is based on a number of assumptions which are relevant at this point in time
- The achievement of saving within this forecast presents a risk to delivery of this position
- The forecast reported is considered the best case scenario
- Should no further savings be delivered this FY there is the potential that NHS Highland would be overspent by £87.749m by financial year end
- Assuming 60% of the £29.500m CIP will be delivered a forecast overspend of £66.095m is the likely scenario

Movement in Forecast



MONTH 4 2023/2024 – JULY 2023



SUSTAINABILITY & VALUE

- August Financial Improvement Group Newsletter focusing on 8 themes.
- Discovery, Discovery Champions, NHS England, Length of Stay Reports & PLICS all focus on benchmarking and how NHS Scotland can better understand and manipulate its cost base
- The Admin Service Job Family Review has provided information on staffing levels across years
- The ADTC Analysis is seeking to improve financial engagement in Area Drug & Therapeutic Committees
- The Quarterly Self Assessment and Financial Improvement Pack are tools to allow comparison across Boards and the enable Boards to reflect on work being undertaken

MONTH 4 2023/2024 – JULY 2023



SUSTAINABILITY & VALUE

- FIG continues to be a forum to generate and share ideas about where efficiencies can potentially be generated
- When these are shared with Boards Finance Business Partners are engaging with service leads to confirm whether this is something that has previously been progressed or whether it is an initiative that needs to be developed in Board
- How the Board engages with the work of FIG forms part of the quarterly self-assessment process

MONTH 4 2023/2024 – JULY 2023

Key Risks

- Supplementary staffing (locum costs and additional beds)
- Prescribing & drugs costs
- Adult Social Care pressures
- Continuing impact of high inflation rate
- Mental Health Out of Area placements
- Delivery of Savings

Mitigations

- Reduced support/ sustainability packages
- Reduction in planned spend (review of business cases/ pressures)
- Non - recurrent VAT rebates
- Additional SG funding - Sustainability & NRAC parity & New Medicines Funding

MONTH 4 2023/2024 – JULY 2023

Draft Plan £000's	Funding Received £000's	Summary Funding & Expenditure	Actual to Date £000	Bal to Spend £000
		Project Specific Schemes		
3,230		Radiotherapy Equipment	-	3,230
500		NTC (H)	463	37
2,400		Belford Hospital replacement	101	2,299
1,500		Caithness redesign project	191	1,309
2,500		Grantown HC upgrade	81	2,419
2,820		Broadford HC extension	-	2,820
		Other Centrally Provided Capital Funding		
2,650		Raigmore Maternity capacity	195	2,455
2,200		Cowal Community Hospital GP relocation	(2)	2,202
1,350		Raigmore car park project	632	718
500		Laundry Water Filtration Equip	12	488
50		Raigmore oncology unit	0	50
500		Campbeltown boiler replace	12	488
0		EV charging points A&B	276	(276)
1,250		Backlog maintenance additional funding	-	1,250
447		National Infrastructure Equipment Funding (NIB)	-	447
21,897	-		1,961	19,936
		Formula Allocation		
827	827	PFI Lifecycle Costs	284	543
2,010	2,010	Equipment Purchase Advisory Group (EPAG)	386	1,624
2,350	2,350	Estates Capital Allocation	3,050	(700)
1,500	1,500	eHealth Capital Allocation	252	1,248
260	260	Minor Capital Group	-	260
-		Other	(22)	22
6,947	6,947		3,950	2,997
28,844	6,947	Capital Expenditure	5,911	22,933

CAPITAL

- Capital programme of £28.844m planned
- Only Formula funding has been confirmed at this time
- Main areas of spend to date are

Project	Spend to end June 2023
National Treatment Centre – Highland	£0.463m
Estates Backlog Maintenance	£3.050m
Equipment Purchase	£0.386m
Raigmore Car Park	£0.632m