



Meeting: Highland Health & Social Care Committee

Meeting date: 30 August 2023

Title: HHSCC Finance Report – Month 3 2023/2024

Responsible Executive/Non-Executive: Pamela Cremin, Chief Officer, Highland Health & Social Care Partnership

Report Author: Elaine Ward, Deputy Director of Finance

1 Purpose

This is presented to the Committee for:

- Discussion

This report relates to a:

- 5 Year Strategy, Together We Care, with you, for you.

This report will align to the following NHSScotland quality ambition(s):

- Effective

This report relates to the following Strategic Outcome(s)

Start Well		Thrive Well		Stay Well		Anchor Well	
Grow Well		Listen Well		Nurture Well		Plan Well	
Care Well		Live Well		Respond Well		Treat Well	
Journey Well		Age Well		End Well		Value Well	
Perform well	√	Progress well					

2 Report summary

2.1 Situation

This report is presented to enable discussion on the Highland Health & Social Care Partnership financial position at Month 3 2023/2024 (June 2023)

2.2 Background

NHS Highland submitted a financial plan to Scottish Government for the 2023/2024 financial year in March 2023. This plan identified an initial budget gap of £98.172m. A savings programme of £29.500 was proposed - £4.113m of this being related to Adult Social Care. No funding source has at this time been identified to close the residual gap of £68.672m. This report summarises the NHS Highland financial position at Month 3, the Highland Health & Social Care Partnership financial position at Month 3, provides a forecast through to the end of the financial year and highlights the current savings position.

2.3 Assessment

There is an ongoing need for the HHSCP to identify significant savings and cost reductions in order that financial balance can be achieved. This challenge comes against the backdrop of an increasing demand for services, the development of the National Care Service and the ongoing fragility of service provision due to recruitment challenges and rising costs.

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

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

Comment on the level of assurance

It is only possible to give limited assurance at this time due to the limited progress on savings delivery and the ongoing utilisation of locums and agency staff. The development of robust savings plans is currently progressing and once in place should support an increase in the level of assurance.

3 Impact Analysis

3.1 Quality/ Patient Care

Achievement of a balanced financial position for NHS Highland in 2023/2024 is predicated on closing the initial budget cap of £68.672m.

The impact on quality of care and delivery of services is assessed at an individual scheme level using a Quality Impact Assessment tool.

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

There is a risk NHS Highland will overspend on its 2023/2024 revenue budget by more than £55.788m in this forecast as this assumes the cost improvement programme is delivered in full. The forecast is also dependent on assumptions around funding and expenditure. The Board continues to look for opportunities both locally and nationally to bring the recurrent cost base down.

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
- Discussion at relevant Senior Leadership Team meetings
- Monthly 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.

- Community SLT

4 Recommendation

- Discussion – Committee discuss the Highland Health and Social Committee finance report at month 3.

4.1 List of appendices

The following appendices are included with this report:

- Appendix 1 – Adult Social Care Summary

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Title:	HHSCC Finance Report – Month 3 2023/2024
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Report Author:	Elaine Ward, Deputy Director of Finance

1 NHS Highland 2022/2023 Financial Plan

- 1.1 NHS Highland submitted a financial plan to Scottish Government for the 2023/2024 financial year in March 2023.
- 1.2 This plan identified an initial budget gap of £98.172m. A savings programme of £29.500 was proposed - £4.113m of this being related to Adult Social Care. No funding source has at this time been identified to close the residual gap of £68.672m.
- 1.3 This report summarises the NHS Highland financial position at Month 3, the Highland Health & Social Care Partnership financial position at Month 3, provides a forecast through to the end of the financial year and highlights the current savings position.

2 NHS Highland – Period 3

- 2.1 For the three months to the end June 2023 NHS Highland has overspent against the year-to-date budget by £20.656m and is forecasting a £55.788m overspend at financial year end.

- 2.2 This forecast includes additional funding allocated to all Boards by Scottish Government to support the financial position. NHSH received £8.030m Sustainability and NRAC parity funding and £6.590m New Medicines funding and assumes delivery of the savings target in North Highland and the significant majority of the A&B IJB target; forecast savings delivery totals £28.754m.
- 2.3 A breakdown of the year-to-date position and the year-end forecast is detailed in Table 1.

Table 1 – NHS Highland Summary Income and Expenditure Report as at 30 June 2023 (Month 3)

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,147.755	Total Funding	278.741	278.741	-	1,147.755	-
	Expenditure					
440.799	HHSCP	109.135	113.143	(4.009)	445.848	(5.049)
286.617	Acute Services	73.373	79.817	(6.444)	302.101	(15.483)
162.890	Support Services	34.562	44.117	(9.555)	197.195	(34.305)
890.306	Sub Total	217.070	237.077	(20.008)	945.144	(54.838)
257.449	Argyll & Bute	61.671	62.320	(0.649)	258.399	(0.950)
1,147.755	Total Expenditure	278.741	299.397	(20.656)	1,203.542	(55.788)

3 HHSCP – Period 3

- 3.1 The HHSCP is reporting an overspend of £4.009m at the end of Period 3 with a year end overspend of £5.049m forecast.
- 3.2 The year to date position includes slippage of £5.733m against the CIP with the forecast assuming achievement against plan by the end of the financial year.
- 3.3 A breakdown across services and across Health & Adult Social Care is detailed in Table 2. A more detailed breakdown of the ASC position is included at Appendix 1.

Table 2 – HHSCP Financial Position as at 30 June 2023 (Month 3)

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
246.338	NH Communities	62.601	64.500	(1.899)	250.669	(4.331)
48.259	Mental Health Services	12.330	15.061	(2.732)	51.822	(3.563)
147.241	Primary Care	35.719	35.726	(0.006)	149.073	(1.831)
(1.040)	ASC Other includes ASC Income	(1.515)	(2.144)	0.628	(5.716)	4.676
440.799	Total HHSCP	109.135	113.143	(4.009)	445.848	(5.049)
	HHSCP					
268.364	Health	66.495	70.503	(4.009)	273.413	(5.049)
172.434	Social Care	42.640	42.640	-	172.435	-
440.799	Total HHSCP	109.135	113.143	(4.009)	445.848	(5.049)

3.4 A breakdown across services within North Highland Communities is detailed in Table 3.

Table 3– North Highland Communities as at 30 June 2023 (Month 3)

Current Plan £m's	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
73.062	Inverness & Nairn	18.481	18.314	0.166	74.986	(1.924)
53.062	Ross-shire & B&S	13.712	13.707	0.005	53.448	(0.387)
47.198	Caithness & Sutherland	12.076	12.194	(0.118)	48.019	(0.821)
55.851	Lochaber, SL & WR	14.227	14.167	0.060	55.899	(0.048)
5.147	Management	1.029	3.070	(2.041)	6.248	(1.101)
6.210	Community Other AHP	1.597	1.505	0.092	6.010	0.200
5.808	Hosted Services Includes Midwifery	1.480	1.543	(0.063)	6.059	(0.251)
246.338	Total NH Communities	62.601	64.500	(1.898)	250.669	(4.331)

3.5 A year to date overspend of £1.898m is reported within NH Communities with this forecast to increase to £4.331m by financial year end.

3.6 Within the Health element of NH Communities the forecast position is being driven by:

- £0.658m of ongoing service pressures within Enhanced Community Services and Chronic Pain
- £0.242m of equipment costs in respect of new beds, etc.
- Ongoing locum/ agency costs across all areas.

3.7 Table 4 breaks down the position within Mental Health Services.

Table 4– Mental Health Services as at 30 June 2023 (Month 3)

Current Plan £m's	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
22.907	Adult Mental Health	5.805	7.153	(1.246)	24.956	(2.049)
12.982	CMHT	3.181	3.530	(1.020)	12.316	0.666
6.555	LD	1.543	1.842	(0.315)	8.149	(1.594)
5.814	D&A	1.800	2.536	(0.151)	6.401	(0.586)
48.259	Total Mental Health Services	12.330	15.061	(2.732)	51.822	(3.563)

3.8 Mental Health Services are reporting a year to date overspend of £2.732m with this forecast to increase to £3.563m by financial year end.

3.9 Locum and agency costs continue to be the main driver of the forecast position due to recruitment challenges and increased acuity of patients.

3.10 Primary Care are currently reporting an overspend of £0.006m with this forecast to increase to £1.831m by year end. Table 5 details the breakdown across services.

3.11 Locum costs within 2C practices and prescribing continue to drive the forecast position. A pressure of £1.000m within prescribing is a result of

both increased volume of prescribing and increasing costs.

Table 5 – Primary Care as at 30 June 2023 (Month 3)

Current Plan £m's	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
51.796	GMS	13.094	13.077	0.018	52.629	(0.833)
62.967	GPS	15.503	15.759	(0.255)	63.972	(1.005)
23.707	GDS	5.239	5.023	0.217	23.579	0.128
4.883	GOS	1.272	1.264	0.008	4.884	(0.001)
3.889	Primary Care Management	0.611	0.604	0.007	4.010	(0.121)
147.242	Total Primary Care	35.719	35.726	(0.006)	149.074	(1.831)

4 Savings Programme

- 4.1 The HHSCP has a savings target of £10.659m (including ASC) for 2023/2024. At this stage in the financial year detailed plans are being developed to deliver this target and the forecast position assumes delivery of the CIP in full by financial year end.
- 4.2 Table 6 provides a breakdown of the schemes currently being developed.

Table 6 – Breakdown of current HHSCP CIP schemes in development

Division	No of Schemes	Full Year Savings Estimate £'000s
NH Community Service	9	693.797
Mental Health	15	1,217.000
Primary Care	3	800.000
Unit Wide	7	190.000
ASC	3	1.390
TOTAL	37	2,902.187

- 4.3 At the end of month 3 £0.395m of savings have been delivered. The forecasting assumption at this stage of the financial year is that the CIP will be delivered in full by 31 March 2023. This assumption will be reviewed monthly linked to the development of delivery plans. There is a risk associated with delivery and there is a continued focus on the development of plans and moving these through to delivery.

5 Non-ASC Allocations

- 5.1 At the end of month 3 a number of non ASC allocations are still to be confirmed – the working assumption is that these will be received at a level in line with 2021/2022. Scottish Government are intending to bundle smaller allocations and, where possible, baseline from 2024/2025. The main allocations relating to Alcohol & Drug Partnership funding and Mental Health Outcomes are still to be confirmed.

6 Recommendation

- Highland Health & Social Care Committee members are invited to discuss the month 3 and forecast financial position as presented in the paper.

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)	20,776	5,568	4,990	578	19,380	1,397
Older People - Care Homes - (ISC/SDS)	33,680	8,420	8,814	(394)	34,715	(1,036)
Older People - Other non-residential Care (in House)	1,509	391	420	(29)	1,618	(109)
Older People - Other non-residential Care (ISC)	1,289	322	401	(79)	1,543	(254)
Total Older People - Residential/Non Residential Care	57,253	14,700	14,625	76	57,256	(3)
Older People - Care at Home						
Older People - Care at Home (in House)	17,870	4,580	4,248	331	17,020	851
Older People - Care at home (ISC/SDS)	16,325	4,088	4,675	(587)	18,099	(1,774)
Total Older People - Care at Home	34,195	8,668	8,924	(256)	35,119	(924)
People with a Learning Disability						
People with a Learning Disability (In House)	4,793	1,206	1,002	204	4,411	382
People with a Learning Disability (ISC/SDS)	35,365	8,870	8,590	280	38,656	(3,290)
Total People with a Learning Disability	40,158	10,076	9,592	484	43,067	(2,909)
People with a Mental Illness						
People with a Mental Illness (In House)	572	145	122	24	526	46
People with a Mental Illness (ISC/SDS)	7,436	1,850	2,604	(754)	7,529	(93)
Total People with a Mental Illness	8,008	1,995	2,726	(731)	8,055	(47)
People with a Physical Disability						
People with a Physical Disability (In House)	928	239	138	101	586	342
People with a Physical Disability (ISC/SDS)	7,000	1,764	1,851	(86)	7,603	(604)
Total People with a Physical Disability	7,927	2,003	1,988	14	8,189	(262)
Other Community Care						
Community Care Teams	9,624	2,392	2,180	212	8,924	700
People Misusing Drugs and Alcohol	301	76	33	43	117	184
People Misusing Drugs and Alcohol (ISC)	90	22	39	(17)	131	(41)
Housing Support	5,647	1,412	1,380	31	6,027	(380)
Telecare	1,507	233	201	32	1,471	36
Carers Support	423	334	337	(3)	1,162	(740)
Total Other Community Care	17,592	4,469	4,170	299	17,832	(240)
Support Services						
Business Support	2,040	528	459	69	1,841	198
Management and Planning	5,784	333	340	(7)	1,596	4,189
Total Support Services	7,824	860	799	62	3,437	4,387
Care Home Support/Sustainability Payments	-	-	10	(10)	227	(227)
Total Adult Social Care Services	172,958	42,771	42,833	(62)	173,182	(223)
Total ASC less Estates	172,434	42,640	42,640	-	172,435	-