



Meeting: Highland Health & Social Care Committee

Meeting date: 27 April 2022

Title: HHSCC Finance Report – Month 12 2021/2022

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 Board 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)

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

2 Report summary

2.1 Situation

This report is presented to enable discussion on the Highland Health & Social Care Partnership year end financial position for 2021/2022.

2.2 Background

NHS Highland submitted a balanced financial plan to Scottish Government for the 2021/2022 financial year in March 2021 and this plan was approved by the Board in May 2021. A savings requirement of £32.900m was identified to deliver balance in year £3.000m of this being related to Adult Social Care. This report summarises the Highland Health & Social Care Partnership financial position at the 2021/2022 year end.

2.3 Assessment

The HHSCP is reporting an overspend of £0.791m for the 2021/2022 financial year. This position has been delivered against a backdrop of uncertainty around funding and service delivery as a result of the response to the ongoing pandemic.

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Substantial
Limited

Moderate
None

√

3 Impact Analysis

3.1 Quality/ Patient Care

Achievement of a balanced financial position for NHS Highland in 2021/2022 was predicated on achievement of savings of £32.900m. 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

At the end of the 2021/2022 financial year an overspend of £0.791m is reported within the Highland Health & 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
- 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** – the month 12 financial position for 2021/2022

4.1 List of appendices

The following appendices are included with this report:

- **Appendix No 1** – HHSCP Service Financial Breakdown at Month 12 (March 2022)

Meeting: Highland Health & Social Care Committee
Meeting date: 27 April 2022
Title: HHSCC Finance Report – Month 12 2021/2022
Responsible Executive/Non-Executive: Louise Bussell, Chief Officer Highland Community
Report Author: Elaine Ward, Deputy Director of Finance

1. NHS Highland – Year End Financial Position

- 1.1 An underspend of £0.454m is currently being reported. This position is still subject to final year end accounting adjustments and external audit scrutiny.
- 1.2 Delivery of this position is set against a backdrop of uncertainty of funding and service delivery throughout the financial year. Scottish Government indicated during quarter 3 that funding would be provided to deliver a breakeven position and a funding package of £48.551m was agreed in late January.
- 1.3 Scottish Government recognised that packages provided to all Boards were in excess of need and indicated that funding remaining at 2021/2022 year end should be carried in an earmarked reserve for Covid-19 purposes in line with usual accounting arrangements for Integration Authorities. The Argyll & Bute element of this funding unspent at year end is being treated in this manner. However, due to the Lead Agency arrangement in place in North Highland this mechanism is not available. Scottish Government and Highland Council are supporting carry forward of unspent funding in order that NHS Highland is not in a detrimental position to other Boards going into 2022/2023.
- 1.4 A breakdown of the draft year end position is detailed in Table 1.

Table 1 – Summary Income and Expenditure Report at March 2022 (Month 12)

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m
1,067.906	Total Funding	1,067.906	1,067.906	-
	Expenditure			
419.173	HHSCP	419.173	420.805	(1.631)
249.921	Acute Services	249.921	254.491	(4.570)
167.237	Support Services	167.237	160.581	6.656
836.331	Sub Total	836.331	835.878	0.454
231.575	Argyll & Bute	231.575	231.575	-
1,067.906	Total Expenditure	1,067.906	1,067.452	0.454
	Surplus/(Deficit) Mth 12			0.454

2 HHSCP – Month 12

- 2.1 The HHSCP is reporting a full year overspend of £0.791m. This is a deteriorating position from that reported at Month 10 due to a significant increase in the cost of care packages in the latter part of the year.
- 2.3 A breakdown across services is detailed in Table 2 with a breakdown across Health & Adult Social Care shown at Table 3. Appendix 1 to this report provides a breakdown across individual service areas.

Table 2 – HHSCP Financial Position at Month 12

Detail	Position to Date		
	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
NH Communities	231.134	233.678	(2.543)
Mental Health Services	41.623	41.616	0.008
Primary Care	139.737	139.714	0.023
ASC Other	6.679	5.798	0.881
Total HHSCP	419.173	420.805	(1.631)
Costs held in Support Services			
PMO Workstreams (excl housekeeping)	(3.000)	(3.000)	-
ASC Income	(15.650)	(16.491)	0.840
Total HHSCP and ASC Income/Covid	400.523	401.314	(0.791)

Table 3 - HHSCP Financial Position at Month 12 - split across Health & Adult Social Care

Detail	Position to Date		
	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
PMO Workstreams (excl housekeeping)	(3.000)	(3.000)	-
Health	253.462	251.898	1.563
Social Work	150.061	152.416	(2.355)
Total HHSCP & Covid/ASC Income	400.523	401.314	(0.791)

- 2.4 Within North Highland Communities the overspend is made up of an underspend in Health of £1.937m – reflecting recruitment challenges throughout the year - and an overspend of £4.480m within Adult Social Care – as a result of additional Care at Home packages and overspends in younger adult packages.
- 2.5 Mental Health services are reporting a small underspend of £0.008m. This reflects vacancies within Adult Mental Health, Community Mental Health Teams and Learning Disabilities. This has been balanced with an overspend in the provision of FME services where an overspend of £1.200m is reported.
- 2.6 A Business Case has been presented to Investment Board and funding approved for the delivery of the FME service. However, substantive recruitment continues to be challenging and this may result in elements of cost pressure continuing into 2022/2023.
- 2.7 An underspend of £0.023m is reported within Primary Care. Dental Services are reporting an underspend of £0.975m due to ongoing vacancies and services not being fully

remobilised during the year. Locum use within 2C practices has driven an overspend of £0.336m. An increase in prescribing has driven an overspend of £0.907m within GPS with an underspend of £0.305m within management costs due to vacancies within the team and slippage on reimbursement to practices for locum cover.

- 2.8 The savings requirement for ASC was revised to £3.000m with this target being fully met.
- 2.9 The Highland Health & Social Care Partnership benefitted from additional funding during 2021/2022. However, recruitment challenges resulted in slippage at year end. IJBs have the ability to carry forward such slippage in earmarked reserves, however due to the Lead Agency arrangement in place in North Highland this mechanism is not available. Scottish Government and Highland Council are supporting carry forward of unspent funding in order that NHS Highland is not in a detrimental position to other Boards going into 2022/2023.

3. ASC Saving Plan

- 3.1 A funding gap of £11.300m was identified for ASC for the 2021/2022 financial year. This was reduced to £11.000m based on rebased projections. This reduced the savings delivery target for the NHS Highland/ Highland Council savings programme from £3.300m to £3.000m. The other elements of the funding package remained the same - Scottish Government - £4.000m, NHS Highland - £2.000m and Highland Council - £2.000m.
- 3.2 Four workstreams were identified to deliver the £3.000m required to balance the ASC funding gap
- Residential Transformation and ASC Cost Improvement Programme
 - Community Led Support
 - Child Health Services
 - Transitions/ Younger Adults with Complex Needs
- 3.3 Savings of £3.284m were delivered in year.

4 2022/2023 ASC Budget

- 4.1 Discussions on ASC funding for 2022/2023 have progressed well.
- 4.2 There is provision within the 2022/2023 funding projection – summarised in Table 4 – to close the previously identified funding gap of £13.300m. This position is still draft as the final 2021/2022 position will impact on the level of year end flexibility.
- 4.3 A savings programme of £3.000m is proposed with this being managed via the NHS Highland PMO structure.
- 4.4 2021/2022 Year end flexibility will also be applied (estimated at £5.400m but subject to final accounting adjustments arising from external audit scrutiny) which together with the application of additional funding being made available in 2022/2023 by Scottish Government would provide £10.400m available for investment.

Table 4 – Draft ASC Funding Position for 2022/2023

ASC Gap 2022/2023			
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	11.2	
Committed 2022/2023 Expenditure	159.4		
Funding			
		Non	
	Recurrent	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 and Nursing Care	0.7	-	0.7
Care at Home Capacity	5.5	-	5.5
Interim Care	-	0.9	0.9
Health & Social Care Funding (inc £10.50 uplift)	8.9	-	8.9
Multi Disciplinary Teams	1.8	-	1.8
	24.7	1.8	26.5
2021/2022 Year End Flexibility	-	5.4	5.4
ASC Savings Programme	-	3.0	3.0
Total Available Resource	159.6	10.2	169.8
Available for Investment	0.2	10.2	10.4

4.5 The Joint Officers Group will review areas for investment in line with the intent of the funding.

5 Recommendation

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

HHSCP Year End Service Financial Breakdown

North Highland Communities

Detail	Position to Date		
	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
Inverness & Nairn	63.118	65.278	(2.160)
Ross shire & B&S	46.945	46.378	0.568
Caithness & Sutherland	40.654	40.622	0.032
Lochaber, SL & WR	49.340	48.771	0.569
Management	18.774	21.064	(2.290)
Community Other	4.312	4.075	0.236
ASC Other	1.624	1.346	0.278
Hosted Services	6.367	6.143	0.224
Total NH Communities	231.134	233.678	(2.543)

Health	81.046	79.109	1.937
ASC	150.088	154.569	(4.480)

Mental Health Services

Detail	Position to Date		
	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
Adult Mental Health	21.215	20.920	0.295
CMHT	11.092	10.705	0.387
LD	5.000	4.625	0.375
D&A	4.317	5.366	(1.049)
Total Mental Health Services	41.623	41.616	0.008

Health	32.679	33.076	(0.397)
ASC	8.944	8.540	0.404

Primary Care

Detail	Position to Date		
	Plan to Date £m's	Actual to Date £m's	Variance to Date £m's
Dental	22.376	21.402	0.975
GMS	52.642	52.977	(0.336)
GPS	57.420	58.327	(0.907)
GOS	4.993	5.007	(0.014)
Primary Care Management	2.306	2.001	0.305
Total Primary Care	139.737	139.714	0.023

