

HHSC Committee Report at 30 November (Month 8)

Report by: Elaine Ward, Deputy Director of Finance

The Committee is asked to:

Note: The NHS Highland financial position at the end of Period 8 and the projection to year end.

Consider: The HHSCP financial position at the end of Period 8 2021/2022 and the projection to year end.

Note: The progress on the delivery of ASC savings.

1. NHS Highland – Period 8

- 1.1 For the eight months to the end of November 2021 NHS Highland has overspent against the year to date budget by £11.750m and is forecasting an overspend of £19.567m at financial year end. Scottish Government have confirmed that all Boards will receive a funding package to deliver a breakeven financial position for 2021/2022. Slippage on in-year allocations continues to be monitored and discussions are ongoing internally and with Scottish Government on how slippage on specific allocations can be dealt with flexibly over financial year end.
- 1.2 The year end forecast continues to include anticipated slippage of £11.900m against the £32.900m savings target.
- 1.3 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 November

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,037.604	Total Funding	654.752	654.752	-	1,037.604	-
	Expenditure					
415.258	HHSCP	272.802	273.236	(0.434)	415.822	(0.564)
246.895	Acute Services	165.247	169.248	(4.001)	254.259	(7.364)
143.913	Support Services	66.609	73.993	(7.383)	155.552	(11.639)
806.066	Sub Total	504.658	516.477	(11.819)	825.633	(19.567)
231.538	Argyll & Bute	150.093	150.025	0.069	231.538	-
1,037.604	Total Expenditure	654.752	666.502	(11.750)	1,057.171	(19.567)
	Surplus/(Deficit) Mth 8			(11.750)	19.567	(19.567)
	Funding Support from SG to deliver breakeven					19.567
	Forecast year end position					-

2 HHSCP – Period 8

2.1 The HHSCP is reporting an overspend of £1.050m at the end of Period 8 with a year end overspend of £0.314m forecast. This is a significantly improved position from that reported to the committee at the end of month 6.

2.2 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 8 (November 2021)

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
228.606	NH Communities	150.887	151.579	(0.692)	229.145	(0.538)
41.549	Mental Health Services	27.194	27.454	(0.260)	42.506	(0.957)
137.535	Primary Care	90.580	90.605	(0.025)	137.581	(0.047)
7.568	ASC Other	4.141	3.598	0.543	6.589	0.978
415.258	Total HHSCP	272.802	273.236	(0.434)	415.822	(0.564)
	Costs held in Support Services					
(3.000)	PMO Workstreams (excl housekeeping)	(2.000)	(0.932)	(1.068)	(3.000)	-
(15.654)	ASC Income	(10.619)	(11.071)	0.452	(15.904)	0.250
396.604	Total HHSCP and ASC Income/Covid	260.183	261.233	(1.050)	396.918	(0.314)

Table 3 - HHSCP Financial Position at Month 8 (November 2021) –split across Health & Adult Social Care

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	HHSCP					
(3.000)	PMO Workstreams (excl housekeeping)	(2.000)	(0.932)	(1.068)	(3.000)	-
250.246	Health	164.282	164.545	(0.263)	250.267	(0.020)
149.358	Social Care	97.901	97.619	0.281	149.651	(0.293)
396.604	Total HHSCP	260.183	261.233	(1.050)	396.918	(0.314)

2.3 Two main factors continue to drive this position – the previously identified pressure associated with the Police Custody Service and additional Care at Home packages.

2.4 Within North Highland Communities the year to date overspend is made up of an underspend in Health of £0.284m – due to ongoing vacancies - and an overspend of £0.976m within Adult Social Care – as a result of additional Care at Home packages and overspends in younger adult packages. The underspend within Health is forecast to increase to £0.999m by year end with the overspend in Adult Social Care forecast to increase to £1.537m over the same period. This position does not reflect the recent £300m ASC winter planning funding announcement – planning is ongoing to put services in place to deliver on the funding priorities.

2.5 The position within Mental Health reflects ongoing vacancies within Adult Mental Health, Community Mental Health Teams and Learning Disabilities – YTD underspend of £0.037m moving to an overspend of £0.042 by year end with recruitment ongoing over the period to end March. Within Drug & Alcohol the Police Custody Service is driving an overspend of £0.785m year to date with this forecast to increase to £1.024m by year end. It is now expected that locums will continue to be used to deliver this service through to the end of the financial year.

2.6 An overspend of £0.025m is currently reported within Primary Care with this forecast to increase slightly to £0.047m by year end. This is an improved position from month 6 due

to a reduction in the use of locums in 2C practices and additional NES income.

- 2.7 Within ASC Other the year to date underspend of £0.543m and the forecast underspend of £0.978m are being driven by vacant posts.
- 2.8 The savings requirement for ASC has been revised to £3.000m and it is currently forecast that the full savings challenge will be achieved. Should any slippage materialise NHS Highland and Highland Council will fund on a 50%/50% basis.

3. ASC Saving Plan

- 3.1 A funding gap of £11.300m was identified for ASC for the 2021/2022 financial year. This has been reduced to £11.000m based on current projections. This has 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 remain the same - Scottish Government - £4.000m, NHS Highland - £2.000m and Highland Council - £2.000m.
- 3.2 Four workstreams have been 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 The position at the end of Month 8 is summarised in Table 4 below:

Table 4 – ASC Savings

No of schemes	Unadjusted	Risk Adjusted
	£m	£m
29	3.311	3.294

- 3.4 At this stage of financial planning for 2022/2023 a funding gap of £13.389m is forecast. Discussions are ongoing with Scottish Government and Highland Council on mitigating actions to close this gap.

4. ASC Winter Funding

- 4.1 A £300m winter funding package for Health & Social Care was announced in Parliament on 5 October 2021 and plans are being developed to utilise this funding in order that the specified outcomes can be delivered.
- 4.2 The timing of the funding creates difficulties for NHS Highland as year end approaches as the lead agency arrangement means that slippage on these allocations cannot be taken to reserves. In IJBs specific reserves can be created to utilise slippage in future years. These allocations are included in the discussions with SG on flexibility over the financial year end.
- 4.3 The main element of funding for the HHSCP are:
- Interim Care Beds £1.761m
 - Care at Home Capacity £2.730m
 - Multi-disciplinary Teams £0.881m

- 4.4 The Care at Home and Multi-disciplinary Teams funding is recurrent and the Interim Care Beds funding will be available this year and at a reduced level for 2022/2023.
- 4.5 In addition funding has also been made available to recruit 47 new health care support workers across North Highland and 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. Both of these elements of funding are recurrent.
- 4.6 Funding for Multi-disciplinary Teams and the health care support workers will be routed through Health Boards with the remainder routed via Local Authorities. An adjustment to the quantum will transfer this funding to the partnership.

5 2022/2023 Budget

- 5.1 The Cabinet Secretary for Finance announced the Scottish Government budget for 2021/2022 in Parliament on Thursday 9 December 2021 and set out that it was a transitional budget which would pave the way for a full resource spending review in May 2022, whilst enabling the next steps to deliver the Health and Social Care commitments outlined in the Programme for Government.
- 5.2 NHS Highland will receive a total baseline allocation of £725.6m for 2022/2023. The headline position for NHS Highland is shown in Table 5.

Table 5 – Headline budget position for 2022/2023

	2020/21 Allocation	Recurring Allocations	Total 2020/21 Allocation	Uplift incl NRAC	Uplift incl NRAC	2021/22 Allocation	NRAC Funding	Distance from NRAC parity
	£m	£m	£m	£m	%	£m	£m	%
NHS Highland	691.9	12.6	704.5	21.2	3.0%	725.6	3.1	(0.8%)

- 5.3 Scottish Government are currently seeking clarity on the level of Covid-19 funding that will be provided by HM Treasury in 2022/2023.
- 5.4 Further details on the HHSCP position for 2022/2023 will be brought to a future meeting of the Committee.

6 Recommendations

The Committee is asked to:

- **Note:** The NHS Highland financial position at the end of Period 8 and the projection to year end.
- **Consider:** The HHSCP financial position at the end of Period 8 2021/2022 and the projection to year end.
- **Note:** The progress on the delivery of ASC savings.

Elaine Ward
Deputy Director of Finance
29 December 2021

HHSCP Service Financial Breakdown at Month 8 (November 2021)

North Highland Communities

Current Plan £m	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Var from Curr Plan £m
61.514	Inverness & Nairn	40.722	41.343	(0.621)	62.128	(0.614)
46.370	Ross shire & B&S	30.858	30.399	0.459	47.381	(1.012)
40.552	Caithness & Sutherland	27.076	27.065	0.011	40.834	(0.282)
49.027	Lochaber, SL & WR	32.398	31.837	0.561	48.312	0.716
19.330	Management	12.033	13.601	(1.568)	19.170	0.160
3.907	Community Other	2.614	2.506	0.108	3.812	0.095
1.624	ASC Other	1.084	0.872	0.211	1.370	0.255
6.282	Hosted Services	4.102	3.954	0.147	6.137	0.145
228.606	Total NH Communities	150.887	151.579	(0.692)	301.774	(0.538)

80.100	Health	52.337	52.053	0.284	79.100	0.999
148.507	ASC	98.550	99.526	(0.976)	150.044	(1.537)

Mental Health Services

Current Plan £m	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Var from Curr Plan £m
21.294	Mental Health Services	13.924	13.888	0.037	21.336	(0.042)
10.875	Adult Mental Health	7.196	7.022	0.175	11.042	(0.167)
5.026	CMHT	3.289	2.974	0.314	4.750	0.276
4.354	LD	2.784	3.570	(0.785)	5.378	(1.024)
4.354	D&A	2.784	3.570	(0.785)	5.378	(1.024)
41.549	Total Mental Health Services	27.194	27.454	(0.260)	42.506	(0.957)

Primary Care

Current Plan £m	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Var from Curr Plan £m
21.747	Primary Care	14.501	13.959	0.542	21.044	0.702
49.467	Dental	32.807	33.112	(0.305)	49.741	(0.273)
57.761	GMS	38.218	38.548	(0.330)	58.379	(0.618)
5.227	GPS	3.400	3.409	(0.009)	5.244	(0.017)
3.332	GOS	1.653	1.577	0.077	3.173	0.159
3.332	Primary Care Management	1.653	1.577	0.077	3.173	0.159
137.535	Total Primary Care	90.580	90.605	(0.025)	137.581	(0.047)

