

Agenda Item	6
Report No	HSCW/02/21

HIGHLAND COUNCIL

Committee: Health, Social Care and Wellbeing

Date: 10 February 2021

Report Title: Revenue Budget Monitoring 3rd Quarter 2020/21

Report By: Executive Chief Officer – Health and Social Care

1. Purpose/Executive Summary

- 1.1 This report provides the third quarter revenue budget monitoring forecast to members, reflecting the position to 31st December 2020. Covid-19 continues to have a significant impact on the financial position, with £1.745m of specifically attributable and unbudgeted costs for the year to end December, and those forecast to reach £2.481m by the year end.
- 1.2 It remains the case that this financial year and the impact of Covid-19, creates unprecedented levels of uncertainty, and the monitoring forecasts continue to be reflective of best information and estimates at the current time, but still subject to a significant risk of variation as the country continues through this pandemic.
- 1.3 Against a budget for the Health and Social Care Service of £148.066m, and including Covid-19 costs, the year-end forecast is an overspend of £1.090m or 0.7% of budget. This contrasts with the Quarter 2 forecast which was a higher overspend of £1.874m. The report provides further analysis and explanation of the revenue budget position.
- 1.4 The main factors in improvement are adjustments in costs and forecasts related to Looked After Children – Out of Authority Placements, with further explanation set out within the report.

2. Recommendations

Members are asked to:

- i. Consider the revenue budget outturn forecast for the year.
- ii. Note the mitigating action, and ongoing risks and uncertainties arising from Covid-19 in relation to these forecasts.

3. Implications

- 3.1 Resource – as set out within the report and accompanying appendices. Pressure areas in relation to Looked After Children and Covid-19 costs continue to represent the main factors in the net overspend being reported.
- 3.2 Legal – there are no legal implications to highlight.
- 3.3 Community (Equality, Poverty, Rural and Island) – no implications to highlight.
- 3.4 Climate Change/Carbon Clever – no implications to highlight.
- 3.5 Risk – as noted within the report, Covid-19 represents a significant risk and uncertainty impacting on financial forecasts, with the risk that financial forecasts differ as a result of changed or unforeseen events.
- 3.6 Gaelic – no implications to highlight.

4. Introduction

- 4.1 This report and **Appendix 1**, plus the supplementary **Appendix 2**, sets out the revenue budget monitoring report for quarter 3 of the 2020/21 financial year. A new **Appendix 3** has been added, representing a glossary of terms and acronyms, for assistance in the reading of this and other reports on the agenda. The intent is this glossary is improved and added to over time.
- 4.2 The forecast for the year to date represents an improvement from the position reported at Quarter 2, with the following table providing an overview of the main factors in movement from Quarter 2 to Quarter 3.

Service overspend at Quarter 2	£1.874m
Covid-19 – increase in forecast costs	£0.548m
Looked After Children – decrease in forecast overspend	-£1.691m
Various movements in other budget headings	£0.359m
Service overspend at Quarter 3	£1.090m

5. Commentary on Main Service Budget Variances

- 5.1 While the table above provides an overview of the movement *between* quarters, the following section provides further explanation of the *year end* forecast variances.
- 5.2 Covid-19 Response
- 5.2.1 As referred to in section 4, there has been an increase in the year end forecast of costs which are specifically attributable to Covid-19. The main factor in this movement is a review of costs related to out of authority placements, and increase in those which are attributed to the Covid-19 impact, rather than the core budget. As has been indicated in past reports to members, the main elements being accounted for within the Covid-19 impact line are as follows:-
- additional residential placements (both Council and independent providers)

- additional PPE and other Covid-19 costs associated with placements and facilities
- additional respite care provision
- additional fostering and adoption costs
- additional staff costs, across a range of Covid 19 responses incl out of hours service, family teams, mental health officers

5.2.2 These forecasts remain under regular review, and continue to carry a significant degree of risk and uncertainty. Further significant impacts of Covid-19, whether that be significant increase in cases or further lockdowns, would negatively impact on these forecasts.

5.3 Looked After Children – Out of Authority Placements

5.3.1 There are two budget lines reflected on appendix 2, which are the subject of the following further explanation, and with ongoing significant variances shown.

5.3.2 'Looked After Children (Residential) Independent/3rd Sector' and 'Looked After Children (Alternatives to OOA)' is forecast with a year-end expenditure of £13.4M, and a resulting combined overspend forecast of £0.661m.

5.3.3 These figures do reflect an improved position between Q2 and Q3, due to actual spend relating to COVID-19 being lower than was forecasted, and as noted above a review of the proportion of placement costs which are attributed to Covid-19 rather than these core budgets. There is also an underspend in Alternatives to OOA placement provisions due to delays in units in Highland being developed as a result of the first lockdown.

5.3.4 In Quarter 3, out of area purchased residential placements increased by 3 (compared with no additional placements in Quarter 2 and an increase of 6 during the first lockdown in Quarter 1). There are currently 30 children in OOA residential placements as one child returned to Highland in Dec 2020.

5.3.5 The Placement Services team are working on the return of 6 further children back to Highland by Summer 2021, but this could also be impacted by the current lockdown.

5.3.6 Achieving a positive balance of returns against new placements is obviously the ideal, but this year is likely to pose one of the most challenging due to the impact of COVID-19 on increased purchased residential placements and the concurrent delay in returning young people from OOA.

5.4 Family Teams

5.4.1 Overall the family teams' budget is showing a lower level of underspend than at Quarter 2, now standing at £2.716m underspend (£2.849m Quarter 2). There are two separate factors influencing this movement as described below, with further positive progress in relation to staff recruitment reducing the staff costs underspend, but with this offset by further underspending against the Self Directed Support (SDS) budget.

Reduction in area Family Team staff budget underspend due to further recruitment activity	£0.434m
Increase in SDS underspend	-£0.300m
Net reduction in underspend in Quarter	£0.134m

- 5.4.2 Previous reports to Committee have referred to ongoing recruitment activity in relation to Family Teams staffing, covering qualified social worker, school nurse, health visitor and other post vacancies. Recruitment has continued since the last report, with further positive progress made, and as a result an increase in the projected staffing budget spend in the year. At this late stage in the year, clearly only the part year impact of new staff in post will be reflected, but with these costs then carrying on into the new financial year. There remain some roles and locations that continue to represent a challenge in relation to recruiting staff, and the Service Management Team continue to focus on what further actions may be required to assist in these locations.
- 5.4.3 In relation to Self Directed Support (SDS), the impact of entering lockdown from March 2020 and since then has been quite dramatic on the families and children who receive support via SDS. Traditional respite options operated by both the Council and the private/3rd sector have not been able to open since March 2020, 3rd sector non respite options such as after school clubs and supports etc have also not been operating and there is a noted reduced availability of personal assistants to children and their families associated to risk of transmission.
- 5.4.4 Highland Council took appropriate action, given the Covid-19 impact on SDS plans, including use of “exceptional circumstances” criteria within Scottish Government guidance, and therefore encouraged families to look at alternative options when the originally agreed plan could not be implemented because of Covid 19. This included agreeing expenditure which would not normally be agreed such as employment of family members, paying transport costs incurred due to covid 19 or one off purchases such as IT equipment.
- 5.4.5 Even with “exceptional circumstance” decision making in place, there remains limited alternative spend options acceptable to families to take up to meet disability needs. It is therefore predicted that the present underspend in SDS direct payments will continue until circumstances alter and allow community supports too safely reopen.

5.5 Other Services for Children

- 5.5.1 As previously reported, the reason for the forecast overspend is as a result of adjustments made to the allocation of agreed budget savings, which are held within this budget heading pending re-allocation or implementation. Previously agreed budget savings relating to management restructuring have been re-allocated between Health & Social Care and Education & Learning, and held within this budget heading. As members will be aware, management restructuring across Council Services is being taken forward during the course of this financial year, as part of Council recovery activity, with these savings to be delivered as part of that approach.

6. Next Steps

- 6.1 The Service Management Team continue to review the financial position and consider any further actions that can be taken forward to mitigate the overspend for the year. Where necessary, bringing reports or recommendations back before members. The demand led nature of many aspects of service delivery, legacy pressure areas as reflected within this report, and the ongoing impact and uncertainty arising from Covid-19, make that task challenging, and with the result that current forecast remains a net overspend for the year.

Designation: Executive Chief Officer – Health and Social Care

Date: 26 January 2021

Author: Brian Porter, Head of Resources

Background Papers:

HEALTH, WELLBEING AND SOCIAL CARE REVENUE MONITORING REPORT- 2020-21

1st April 2020 to 31st December 2020	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Service Management and Support				
Management Team	173	271	367	194
Business Support	830	595	802	(28)
COVID-19 Response	0	1,745	2,481	2,481
	1,003	2,611	3,650	2,647
Adult Services				
Commissioned Adult Services	104,901	52,605	104,901	0
Mental Health Teams	1,202	749	1,099	(103)
Criminal Justice Service	50	2	50	0
Other Services for Vulnerable Adults	1,316	1,083	1,380	64
	107,469	54,439	107,430	(39)
Children's Services				
Looked After Children	24,857	17,870	25,307	450
Family Teams	18,402	11,068	15,686	(2,716)
Other Services for Children	7,016	5,620	7,764	748
Commissioned Children's Services Income from NHS	(10,681)	(5,678)	(10,681)	0
	39,594	28,880	38,076	(1,518)
TOTAL HEALTH, WELLBEING AND SOCIAL CARE	148,066	85,930	149,156	1,090
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
BY SUBJECTIVE				
Staff Costs	36,831	25,027	35,612	(1,219)
Other Costs	127,201	70,268	129,520	2,319
Gross Expenditure	164,032	95,295	165,132	-1,100
Grants	(15,943)	(9,318)	(15,951)	(8)
Other Income	(23)	(47)	(25)	(2)
Total Income	(15,966)	(9,365)	(15,976)	(10)
NET TOTAL	148,066	85,930	149,156	1,090

HEALTH, SOCIAL CARE AND WELLBEING SERVICES BUDGET 2020/21 - DECEMBER MONITORING

	GROSS EXPENDITURE				GROSS INCOME				NET TOTAL			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance	Annual Budget	Actual YTD	Year End Estimate	Year End Variance
Quarter 3 April 2020 to December 2020												
BY ACTIVITY												
Service Management and Support												
Management Team	173	271	367	194	0	0	0	0	173	271	367	194
Business Support	830	595	802	(28)	0	0	0	0	830	595	802	(28)
COVID-19 Response	0	1,745	2,481	2,481	0	0	0	0	0	1,745	2,481	2,481
Adult Services												
Commissioned Adult Services	104,901	52,605	104,901	0	0	0	0	0	104,901	52,605	104,901	0
Mental Health Teams	1,202	782	1,099	(103)	0	(34)	0	0	1,202	748	1,099	(103)
Criminal Justice Service	4,254	2,842	4,254	0	(4,204)	(2,839)	(4,204)	0	50	3	50	0
Other Services for Vulnerable Adults	1,339	1,073	1,404	65	(23)	10	(24)	(1)	1,316	1,083	1,380	64
Looked After Children												
Fostering & Adoption	5,433	4,217	5,713	280	0	0	0	0	5,433	4,217	5,713	280
Looked After Children (Residential) In house	3,402	2,076	3,018	(384)	0	0	0	0	3,402	2,076	3,018	(384)
Looked After Children (Respite) In house	1,550	1,001	1,424	(126)	0	0	0	0	1,550	1,001	1,424	(126)
Looked After Children (Residential) Independent / 3rd Sector	7,245	6,481	9,125	1,880	0	(24)	0	0	7,245	6,457	9,125	1,880
Looked After Children (Through care & aftercare)	1,531	1,271	1,602	71	0	(100)	0	0	1,531	1,171	1,602	71
Looked After Children (Alternatives to OOA)	5,494	2,994	4,275	(1,219)	(281)	(336)	(281)	0	5,213	2,658	3,994	(1,219)
Looked After Children Management and Support	483	290	431	(52)	0	0	0	0	483	290	431	(52)
Family Teams												
Family Teams - North	2,806	1,740	2,453	(353)	0	(7)	(7)	(7)	2,806	1,733	2,446	(360)
Family Teams - Mid	3,482	2,395	3,371	(111)	0	(2)	(2)	(2)	3,482	2,393	3,369	(113)
Family Teams - West	2,915	1,952	2,745	(170)	0	0	0	0	2,915	1,952	2,745	(170)
Family Teams - South	8,645	5,030	7,039	(1,606)	(15)	(13)	(13)	2	8,630	5,017	7,026	(1,604)
Self Directed Support (Direct Payments)	569	54	100	(469)	0	(81)	0	0	569	-27	100	(469)
Other Services for Children												
Child Protection	543	300	508	(35)	(31)	(62)	(31)	0	512	238	477	(35)
Health and Health Improvement	1,380	756	1,300	(80)	(708)	(117)	(708)	0	672	639	592	(80)
Allied Health Professionals	3,617	2,416	3,315	(302)	(11)	(71)	(11)	0	3,606	2,345	3,304	(302)
Primary Mental Health Workers	653	337	599	(54)	0	0	0	0	653	337	599	(54)
Early Years Change Fund	139	61	97	(42)	0	0	0	0	139	61	97	(42)
Specialist Services	410	400	408	(2)	0	0	0	0	410	400	408	(2)
Youth Action Services	1,629	993	1,421	(208)	0	(7)	(7)	(7)	1,629	986	1,414	(215)
Other Services for Children	815	555	738	(77)	(12)	(2)	(7)	5	803	553	731	(72)
Staff Training	175	77	142	(33)	0	0	0	0	175	77	142	(33)
Independent Funds	0	-16	0	0	0	0	0	0	0	-16	0	0
Unallocated Savings	(1,583)	0	0	1,583	0	0	0	0	(1,583)	0	0	1,583
Commissioned Children's Services income from NHS	0	0	0	0	(10,681)	(5,678)	(10,681)	0	(10,681)	(5,678)	(10,681)	0
TOTAL	164,032	95,293	165,132	1,100	(15,966)	(9,363)	(15,976)	(10)	148,066	85,930	149,156	1,090

Acronym Glossary

A

ASCG	Adult Services Commissioning Group
ASDSS	Adult Services Development and Scrutiny Sub-Committee
AfC	Agenda for Change
AHP	Allied Health Professional
AIR	Annual Innovation report
ALB	Arm's Length Body
ALO	Arm's Length Organisation
ASD	Autism and Autism Spectrum Disorder
ASP	Adult Support and Protection

B

BASW	British Association of Social Workers
BDA	British Dental Association

C

CAMHS	Child and Adolescent Mental Health Services
CBT	Cognitive Behavioural therapy
CDO	Chief Dental Officer
CGH	Caithness General Hospital
CMHT	Community mental health team
CMO	Chief Medical Officer
CNO	Chief Nursing Officer
COSLA	Convention of Scottish Local Authorities
CPN	Community Psychiatric Nurse

CPS Chronic Pain Service

D

DATIX supplier of patient safety software for healthcare risk management

DD Delayed Discharge

DHD Delayed Hospital Discharge

DOO Director of Operations

DPH Director of Public Health

DPR Data Protection Registrar

DRE Delivering race equality

DTTO Drug Treatment and Testing Order

E

EDC Equality and Diversity Council

EI Early intervention

EIA Equality impact assessment

F

F & A Fostering and Adoption

FHS Family Health Services

FNP Family Nurse Partnership

FOIA Freedom of Information Act

FTE Full time equivalent

G

GMC General Medical Council

GMS General Medical Services

H

HADP Highland Alcohol and Drug Partnership

HB Health Board

HCA Health Care Assistant

HCAI Healthcare-associated infection

HCHS Hospital and community health services

HDU High dependency unit

HEAT Health, efficiency, access, treatment

HHSCC Highland Health and Social Care Committee

HIMP Health improvement and modernisation plan

HSC Health and Social Care

HSCP Health and Social care Partnership

HSE Health and Safety Executive

HTSI Highland Third Sector Interface

I

ICAS Independent Complaints Advocacy Service

ICO Integrated Care Organisation

ICP Integrated Care Pathway

IQI Indicators for Quality Improvement

J

JHWS Joint Health and Wellbeing Strategy

JSNA Joint Strategic Needs Assessment

K

- KPI** Key Performance Indicator
KSF Knowledge and Skills Framework

L

- LAC** Looked After Children
LDP Local Delivery Plan
LHP Local Health Plan

M

- MAPPA** Multi Agency Public Protection Arrangements
MAU Medical Assessment Unit
MHAT Mental Health Advisory Team
MHO Mental Health Officer
MHRT Mental Health Review Tribunal
MHSIG Mental Health Strategy and Implementation Group

N

- NAG** National Advisory Group
NAGCAE National Advisory Group on Clinical Audit and Enquiries
NEET Not in employment, education or training

O

- OAMHCS** Older Adult Mental Health Community Services

OOA	Out of Area
OOH	Out of Hours
OPAC	Older Patients in Acute Care
OPIG	Older People's Improvement Group

P

PEC	Professional Executive Committee
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Polypharmacy the use of a number of different drugs, possibly prescribed by different doctors and filled in different pharmacies, by a patient who may have one or several health problems.

PMHW	Primary Mental Health Worker
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Q

QA	Quality Assurance
QOF	Quality and outcomes framework

R

RRL	Revenue resource limit
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S

SCG	Strategic Commissioning Group
SBS	Shared Business Services
SDS	Self-directed support
SDS	Skills Development Scotland
SGHD	Scottish Government Health Directorates
SHIG	See Hear Improvement Group
SPG	Strategic Planning Group

SPSP	Scottish Patient Safety Programme
SIAA	Scottish Independent Advocacy Alliance

I

Tertiary specialised consultative care usually following referral from primary or secondary medical care. Examples: specialist cancer care, neurosurgery, burns.

U

UKCRN	UK Clinical Research Network
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V

VaW	Violence against Women
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W

WHO	World health Organisation
WRAPS	wellness recovery action plans
WTE	Whole time equivalent

Y

YAS	Youth Action Service
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