

Agenda Item	6
Report No	HCW/17/22

HIGHLAND COUNCIL

Committee: Health, Social Care and Wellbeing

Date: 9 November 2022

Report Title: Revenue Budget Monitoring – Quarter 2 monitoring for 2022/23

Report By: Executive Chief Officer, Health and Social Care

1. Purpose/Executive Summary

- 1.1 This report provides Members with a revenue monitoring position for Quarter 2 of the current 2022/23 financial year, to the end of September 2022. **Annexes 1 and 2** set out the monitoring forecast.
- 1.2 The forecast is the for the Service budget to be underspent by £0.900m by year end. Against an annual budget of £179.655m, this represents a variance of 0.5%. The Quarter 2 position reflects further progress in regard to the re-alignment of the Service budget, as was referred to with the Quarter 1 report to members. Further narrative on the progress of that work is set out within the report.
- 1.3 An update on progress with budget saving delivery is enclosed as **annex 3**. A glossary of terms has been enclosed as **annex 4**, to aid understanding of the monitoring statement and language used in relation to service functions.
- 1.4 The statement is reflective of best available information at the time of preparation. In the current financial crisis, there are clearly a number of significant financial risks and uncertainties in relation to the cost of service delivery (pay awards, inflation and the cost of goods and services) as well as the risks relating to the impact the cost of living crisis may have on our communities and demand for service now and going forward. These may have implications for the forecasts as set out within this report as the year progresses.

2. Recommendations

- 2.1 Members are asked to:
- i. Note the forecast revenue position as at Quarter 2 of the 2022/23 financial year.

- ii. Note the progress update provided in relation to budget savings delivery.

3. Implications

- 3.1 Resource (Budget and Staffing) – the report and appendices provide an up to date forecast of the financial position, including progress with delivery of savings. There are no specific recommendations at this time with particular implications to highlight. As noted below in the risk section, there remains ongoing uncertainty and challenge in financial forecasting as a result of the current financial crisis.
- 3.2 Legal – no particular implications to highlight.
- 3.3 Community (Equality, Poverty and Rural) – the Service continues to respond to service need across our communities, within the resources available, and the ongoing redesign of staffing structures and re-alignment of budgets as a result is with the focus of ensuring the available resources are aligned with Council priorities and service needs.
- 3.4 Climate Change / Carbon Clever – no implications to highlight.
- 3.5 Risk – this report and appendices reflects best available information and assessment of expected service impacts, including those residual Covid-19 impacts on service demand, and the financial crisis. There remains the risk of changes in circumstance that may have an adverse variance on financial forecasts.
- 3.6 Gaelic – no implications to highlight.

4. Quarter 2 Monitoring Forecast

- 4.1 **Annexes 1 and 2** set out the Quarter 2 monitoring position for the new financial year.
- 4.2 As can be seen from the appendices, against a budget for the year of £179.655m, a £0.900m underspend is forecast at this time.
- 4.3 There are a number of compensating variances, with further explanation provided later in this report. The main factor in the overall underspend relates to the Covid-19 Response budget heading. In the March 2021 budget, the Council agreed to the provision of £2.6m of funding into the Service budget in recognition of the following expected Covid-19 pressures - Increased numbers of out of authority placements as increasing numbers of children go into these placement and delays in returning children to alternative local settings due to the lockdowns, and Increased demand for foster placements. This funding was intended to be short term to address Covid-19 pressures and in the March 2022 budget it was continued for 2023/24, but at the reduced level of £1.9m as reflected in the attached annexes. Members will recall from the Quarter 1 report, the positive trends being shown in Looked After Children, with it forecast that the number of children in out of authority residential provision was approaching the lowest level it had been at for some years. As a result, the call on the Covid-19 pressure budget heading is much reduced, and at this time it is considered that only £1m of this funding may be required. This situation is being kept under regular review.

- 4.4 The Quarter 1 report to members referred to the ongoing work in relation to budget re-alignment. That work has been a necessary and overdue review of budget lines to re-baseline budgets so that they are reflective of current context, available resource, service demand and delivery arrangements. Through this work budgets have been re-allocated across Service headings and budget lines to move away from what in some cases were historic budget baselines and rationales. Much of that work across the budget has been concluded, with it being the following areas where work is ongoing and to conclude in Quarter 3 – Looked After Children Unit budgets, Family team budgets, and some other children’s services.
- 4.5 The effect of this work has not impacted the bottom line for the Service as a whole and has been an internal exercise of re-allocation of budgets within the Service. This work has been taken forward through close working between the Council’s Finance Team and Health and Social Care Managers. This has largely been a technical exercise of re-alignment of budget headings, rather than a re-design or amendment of actual physical staffing deployed on the ground. However, parallel to this, work has focussed on staff numbers; mix of teams; practice and service delivery; - all within the confines of service re-design and achieving service savings targets.
- 4.6 The following sections provide some further narrative relating to variances shown within the Quarter 2 position, and other service developments.
- 4.7 Family Teams – past reports to Committee over recent years have highlighted a legacy underspend against this budget heading, as well as the actions being taken to (a) address some of the local and national challenges around recruitment, (b) redesign of the service and (c) re-alignment of the budget.
- 4.8 Fostering and Adoption - work is ongoing to develop options and recommendations in relation to the review of Fostering and Adoption Allowances, with this review being taken forward both as a spend to save initiative, as well as presenting options which could increase Fostering and Adoption capacity in the Highlands. A report is anticipated to be taken to the next Committee meeting on this topic for member consideration.
- 4.9 Commissioned Adult Services – There have been significant funding streams made available in terms of adult social care which reflect the ongoing pressures in service delivery in that sector which have been recognised by Scottish Government in terms of extra funding. The Committee will be aware that the delivery of adult social care and the associated funding is discussed at the Joint Monitoring Committee, and that there remain regular and ongoing discussions on financial matters between Senior Officials within both organisations. Due to current pressures within adult social care, close budget monitoring is actively being pursued to identify and address potential budget pressures before year end.
- 4.10 Looked After Children – ‘The Promise’ is at the heart of practice within Highland Council. Consequently, we have been focussed on shifting the balance of care so that children and young people remain at home – when safe to do so. We are building on and developing our practice to work intensely with families with children on the cusp of care as well as ensuring our community resources are targeting needs and improving outcomes. Family teams, children’s residential houses, kinship, fostering and adoption are all interlinked and will play key roles in helping us reach our ambitions. The focus detailed will result in the realignment of budget lines.

5. Budget Savings Delivery

- 5.1 Also enclosed with this report is an updated assessment of progress with delivery of budget savings. **Annex 3** sets out a Red/Amber/Green (RAG) assessment of those savings.
- 5.2 The annex reflects the Service share of corporately allocated savings, as well as those savings proposals taken forward within the Service.

Designation: Executive Chief Officer, Health and Social Care

Date: 2 November 2022

Author: Brian Porter Head of Resources

Background Papers:

HEALTH, WELLBEING AND SOCIAL CARE REVENUE MONITORING - 2022-23

	£'000 Annual Budget	£'000 Actual YTD	£'000 Projected Outturn	£'000 Year End Variance
1st April 2022 to 31st March 2023				
Quarter 2 April 2022 to September 2022				
BY ACTIVITY				
Service Management and Support				
Management Team	749	396	756	7
Business Support	901	371	845	-56
COVID-19 Response	1,900	-107	1,000	-900
	3,550	660	2,601	-949
Adult Services				
Commissioned Adult Services	133,682	51,301	133,682	0
Mental Health Teams	1,379	560	1,379	0
Criminal Justice Service	62	60	62	0
Other Services for Vulnerable Adults	1,402	1,041	1,417	15
	136,525	52,962	136,540	15
Children's Services				
Looked After Children	25,794	11,902	25,773	-22
Family Teams	19,001	8,010	16,811	-2,190
Other Services for Children	5,881	3,395	8,127	2,246
Commissioned Children's Services Income from NHS	-11,096	-65	-11,096	0
	39,580	23,242	39,615	34
TOTAL HEALTH, WELLBEING AND SOCIAL CARE	179,655	76,864	178,756	-900
	£'000 Annual Budget	£'000 Actual YTD	£'000 Projected Outturn	£'000 Year End Variance
BY SUBJECTIVE				
Staff Costs	38,923	18,066	38,923	0
Other Costs	157,800	62,026	156,900	-900
Gross Expenditure	196,723	80,092	195,823	-900
Grant Income	-17,043	-3,180	-17,043	0
Other Income	-25	-48	-25	0
Total Income	-17,068	-3,228	-17,068	0
NET TOTAL	179,655	76,864	178,755	-900

HEALTH, WELLBEING AND SOCIAL CARE SERVICE

2022/2023	GROSS EXPENDITURE				GROSS INCOME			NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Staffing Variance	£'000 Other Spend Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Income Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Projected Outturn	£'000 Projected Variance
Service Management and Support											
Management Team	756	396	0	0	-7	0	7	749	396	756	7
Business Support	901	371	-57	1	0	0	0	901	371	845	-56
COVID-19 Response	1,900	2	0	-900	0	-109	0	1,900	-107	1,000	-900
Adult Services											
Commissioned Adult Services	133,682	51,334	0	0	0	-33	0	133,682	51,301	133,682	0
Mental Health Teams	1,379	650	0	0	0	-90	0	1,379	560	1,379	0
Criminal Justice Service	4,995	2,011	0	0	-4,933	-1,951	0	62	60	62	0
Other Services for Vulnerable Adults	1,425	1,046	0	15	-23	-6	0	1,402	1,040	1,417	15
Looked After Children											
Fostering & Adoption	5,567	2,932	0	0	0	-1	0	5,567	2,931	5,567	0
Looked After Children (Residential) In house	3,033	1,466	0	0	0	0	0	3,033	1,466	3,033	0
Looked After Children (Respite) In house	1,633	745	0	0	0	0	0	1,633	745	1,633	0
Looked After Children (Residential) Independent / 3rd Sector	8,008	4,015	0	0	0	0	0	8,008	4,015	8,008	0
Looked After Children (Through care & aftercare)	1,991	721	0	0	-31	-28	0	1,960	693	1,960	0
Looked After Children (Alternatives to OOA)	5,251	2,164	0	0	-292	-353	0	4,959	1,811	4,959	0
Looked After Children Management and Support	634	240	-22	0	0	0	0	634	240	612	-22
Family Teams											
Family Teams - North	2,926	1,279	-296	0	0	-1	0	2,926	1,278	2,630	-296
Family Teams - Mid	3,972	1,629	-572	0	0	-1	0	3,972	1,628	3,400	-572
Family Teams - West	3,090	1,391	-249	0	0	-2	0	3,090	1,389	2,841	-249
Family Teams - South	8,628	3,640	-1,073	0	-15	-5	0	8,614	3,635	7,541	-1,073
Self Directed Support (Direct Payments)	399	82	0	0	0	0	0	399	82	399	0
Other Services for Children											
Child Protection	747	329	-9	0	-31	-133	0	716	196	707	-9
Health and Health Improvement	1,147	580	-26	0	-603	-196	0	544	384	518	-26
Allied Health Professionals	3,468	1,625	-138	0	-30	-170	0	3,437	1,455	3,299	-138
Primary Mental Health Workers	505	215	-84	0	0	0	0	505	215	421	-84
Specialist Services	395	180	0	0	0	0	0	395	180	395	0
Youth Action Services	1,642	597	0	0	0	-10	0	1,642	587	1,642	0
Other Services for Children	978	400	0	0	-7	-66	0	971	334	971	0
Staff Training	174	68	0	0	0	-8	0	174	60	174	0
Independent Funds	0	-16	0	0	0	0	0	0	-16	0	0
Unallocated Savings	-2,503	0	2,526	-16	0	0	-7	-2,503	0	0	2,503
Commissioned Children's Services income from NHS	0	0	0	0	-11,096	-65	0	-11,096	-65	-11,096	0
TOTAL	196,723	80,092	0	-900	-17,068	-3,228	0	179,655	76,864	178,755	-900

Original Savings Agreement	Service Ref	Budget Area	Savings Description	2022/23 £m	2023/24 £m	2024/25 £m	Total £m	Saving RAG	Further comments
HC 04/03/21	HW&SC/2	Third Sector Contracts	Review of priorities and delivery and reduction in payment - subject to negotiation and member agreement	0.150	0.150		0.300	A	
HC 03/03/22	HW&SC/4	Health and Social care- service wide	Through critical analysis of the HSC budget, savings have been identified. Overprovision within many budget lines have now been re-aligned with no impact on staffing numbers or service provision	0.500			0.500	G	Reflecting progress made with budget re-alignment
HC 28/10/21	R&F/8 - Allocation	Finance	Salary sacrifice saving from newly introduced AVC scheme	0.007			0.007	G	
HC 03/03/22	Corp/2 - Allocation	Managed Print Service (MPS)	Reductions in printing Printing/Photocopying and reduce Multi-Function Devices (MFDs) in offices and schools	0.010			0.010	G	
HC 03/03/22	Corp/21 - Allocation	Corporate- staffing	Staff alignment, agility and redesign	0.519			0.519	A	
HC 03/03/22	Corp/22 - Allocation	Corporate- staffing	Reduction in overtime	0.006			0.006	A	
HC 03/03/22	Corp/23 - Allocation	Corporate- staffing	Recruitment timelines- removal of budget to reflect recruitment process timelines	0.354			0.354	A	
HC 03/03/22	Corp/24 - Allocation	Corporate- non staffing	A review of non-staffing spend has identified opportunities for savings across services from improved contract management, stopping/reducing demand, alternative delivery, and actions relating to suppliers, specification, productivity, process, negotiation, contracts and analysis	0.040			0.040	A	
Total				1.586	0.150	0.000	1.736		

Health, Social Care and Wellbeing Glossary

A

AfC	Agenda for Change
AHP	Allied Health Professional
AIR	Annual Innovation report
ALB	Arm's Length Body
ALEO	Arm's Length External 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
CJS	Criminal Justice Services
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
JMC	Joint Monitoring Committee
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
NHSH	NHS Highland

O

OAMHCS	Older Adult Mental Health Community Services
OOA	Out of Area/Out of Authority (placements)
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.

TIP Trauma Informed Practice

U

UKCRN UK Clinical Research Network

V

VaW Violence against Women

W

WHO World health Organisation

WRAPS wellness recovery action plans

WTE Whole time equivalent

Y

YAS Youth Action Service