

Agenda Item	5a
Report No	JMC/07/23

## THE HIGHLAND COUNCIL

**Committee:** Joint Monitoring Committee

**Date:** 29 March 2023

**Report Title:** Highland Health & Social Care Partnership Finance Report at Month 11 2022/2023

**Report By:** Heledd Cooper, Director of Finance, NHS Highland

### 1 Purpose/ Executive Summary

- 1.1 This paper provides detail of the Highland Health and Social Care Partnership financial position at the end of period 11 (February) of the 2022/2023 financial year.

### 2 Recommendations

- 2.1 Members are asked to:
- i. Note the financial position at the end of Month 11 2022/2023

### 3 Implications

- 3.1 Resource – there are financial resource implications associated with this paper for the financial years 2023/2024
- 3.2 Legal – there are no legal implications associated with this paper.
- 3.3 Community (Equality, Poverty, Rural and Island) – there are no community implications associated with this paper.
- 3.4 Climate Change/ Carbon Clever – no associated implications.
- 3.5 Risk – there are no specific risks associated with the content of this paper. Ongoing financial/ funding issues for NHS Highland are recorded in the Board's risk register.

3.6 Gaelic – no associated implications.

#### **4 NHS Highland Financial Plan**

- 4.1 NHS Highland submitted a financial plan to Scottish Government for the 2022/2023 financial year in March 2022 and this plan was approved by the Board in May 2022. An initial budget gap of £42.272m was presented with a Cost Improvement Programme of £26.000m proposed. At the time of submission no funding source was identified to close the residual gap of £16.272m. It is now anticipated that SG will provide financial support by way of repayable brokerage.
- 4.2 Detailed Financial Performance Returns have been submitted to Scottish Government monthly from month 3. This is a move from quarterly reporting in 2021/2022 recognising the severity of the financial challenge that all Boards are facing.

#### **5 NHS Highland Financial Position at end Month 11 2022/2023**

- 5.1 For the 11 months to the end of February 2023 NHS Highland has overspent against the year-to-date budget by £22.312m and is reporting an adjusted forecast of £20.000m at financial year end taking into account the current position, mitigating actions from the recovery plan, additional New Medicines funding and a reduction in the CNORIS estimate of expenditure.
- 5.2 The expectation of SG is that NHS Highland will deliver, as a minimum, a year end financial position in line with its financial plan submission. For NHS Highland this means no more than a £16.272m overspend. The adjusted forecast reported at the end of month 11 is £3.728m adrift from the position presented in the financial plan.
- 5.3 The YTD position includes slippage against the CIP of £15.043m with slippage of £16.445m forecast through to financial year end.
- 5.4 A breakdown of the year-to-date position and the year-end forecast is detailed in Table 1.

**Table 1 – Summary Income and Expenditure Report as at February 2023**

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,122.088	<b>Total Funding</b>	973.365	973.365	-	1,122.088	-
	<b>Expenditure</b>					
422.092	HHSCP	383.347	390.346	(6.999)	429.692	(7.600)
260.479	Acute Services	239.578	261.054	(21.476)	284.613	(24.134)
191.562	Support Services	129.346	123.183	6.163	179.828	11.734
<b>874.133</b>	<b>Sub Total</b>	<b>752.271</b>	<b>774.583</b>	<b>(22.312)</b>	<b>894.133</b>	<b>(20.000)</b>
247.955	Argyll & Bute Management Actions A&B	221.094	219.244	1.850 (1.850)	247.955	-
<b>1,122.088</b>	<b>Total Expenditure</b>	<b>973.365</b>	<b>993.827</b>	<b>(22.312)</b>	<b>1,142.088</b>	<b>(20.000)</b>

5.5 A breakdown of the forecast by unachieved savings and the net operational position is detailed in Table 2.

**Table 2 – Breakdown of YTD & Forecast**

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m	Operational (Over)/Under £m	Savings Unachieved £m
1,122.088	<b>Total Funding</b>	973.365	973.365	-	1,122.088	-		
	<b>Expenditure</b>							
422.092	HHSCP	383.347	390.346	(6.999)	429.692	(7.600)	(1.319)	(6.281)
260.479	Acute Services	239.578	261.054	(21.476)	284.613	(24.134)	(18.035)	(6.098)
191.562	Support Services	129.346	123.183	6.163	179.828	11.734	14.320	(2.587)
<b>874.133</b>	<b>Sub Total</b>	<b>752.271</b>	<b>774.583</b>	<b>(22.312)</b>	<b>894.133</b>	<b>(20.000)</b>	<b>(5.034)</b>	<b>(14.966)</b>
247.955	Argyll & Bute Management Actions A&B	221.094	219.244	1.850 (1.850)	247.955	-	1.478	(1.478)
<b>1,122.088</b>	<b>Total Expenditure</b>	<b>973.365</b>	<b>993.827</b>	<b>(22.312)</b>	<b>1,142.088</b>	<b>(20.000)</b>	<b>(3.555)</b>	<b>(16.445)</b>

## 6 Highland Health & Social Care Partnership

6.1 The HHSCP is reporting a YTD overspend of £6.999 with this forecast to increase to £7.600m by financial year end. Table 3 shows the breakdown across service areas and the split between Health & Social Care.

**Table 3 – HHSCP Breakdown as at February 2023**

Current Plan £m	Detail	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
	<b>HHSCP</b>					
233.024	NH Communities	212.797	217.379	(4.581)	239.897	(6.874)
48.475	Mental Health Services	44.345	44.831	(0.486)	49.243	(0.768)
143.719	Primary Care	130.040	131.066	(1.026)	144.473	(0.754)
(3.126)	ASC Other includes ASC Income	(3.836)	(2.930)	(0.906)	(3.922)	0.796
<b>422.092</b>	<b>Total HHSCP</b>	<b>383.347</b>	<b>390.346</b>	<b>(6.999)</b>	<b>429.692</b>	<b>(7.600)</b>
	<b>HHSCP</b>					
257.931	Health	233.943	240.910	(6.966)	265.531	(7.600)
164.161	Social Care	149.404	149.436	(0.033)	164.161	-
<b>422.092</b>	<b>Total HHSCP</b>	<b>383.347</b>	<b>390.346</b>	<b>(6.999)</b>	<b>429.692</b>	<b>(7.600)</b>

- 6.2 Within Health the forecast position reflects:
- £4.180m of unachieved savings
  - £1.331 of service pressures in Enhanced Community Services, Palliative Care & Chronic Pain Services
  - £0.961m agency/ locum costs in the LD/ Dementia Unit
  - £0.705m relating to minor works undertaken at New Craigs – these works were required for operational reasons during the pandemic but were delayed.
  - £0.225m relating to additional costs re Alness and Invergordon reverting to a 2c practice.
- 6.3 £17.185m has been incurred on supplementary staffing at the end of month 11.
- 6.4 Adult Social Care is currently reporting a breakeven position with funding being drawn from the funds held by Highland council over financial year end. Slippage on the ASC element of the CIP of £2.100m has been covered by this funding drawdown.
- 6.5 Appendix 1 to this paper details a breakdown of the financial position across Adult Social Care Service Categories.

## 7 Cost Improvement Programme

- 7.1 The Financial Plan presented to the Board in May proposed a CIP of £26.000m. The YTD position includes slippage of £15.043m with £16.445m of savings forecast to be unachieved by the end of the financial year. Risk around delivery of the balance of the CIP (£0.893m) is medium risk.
- 7.2 Table 7 provides a summary of the savings position at month 11.

**Table 7 Savings at Month 11**

	Target £000s	YTD Target £000s	YTD Achieved £000s	Variance £000s	Achieved Future Mths £000s	Forecast Annual Savings £000s	Forecast Variance
NH Communities	9,293	8,519	2,898	(5,621)	57	57	(6,281)
Acute	8,457	7,752	2,029	(5,723)	184	146	(6,098)
Corporate	2,692	2,468	438	(2,029)	10	-	(2,244)
Estates & Facilities	1,100	1,008	1,008	-	92	-	-
E Health	400	367	57	(310)	-	-	(343)
A&B	4,058	3,720	2,359	(1,361)	214	6	(1,478)
<b>Total Savings M11</b>	<b>26,000</b>	<b>23,833</b>	<b>8,790</b>	<b>(15,043)</b>	<b>556</b>	<b>209</b>	<b>(16,445)</b>
Achieved Future Months			556				
<b>Total Savings Achieved</b>			<b>9,346</b>				

**Adult Social Care Financial Statement at Month 11 2022-23**

Services Category	At M11			
	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's
<b>Older People - Residential/Non Residential Care</b>				
Older People - Care Homes (In House)	16,615	15,157	14,449	708
Older People - Care Homes - (ISC/SDS)	32,270	29,709	31,228	(1,519)
Older People - Other non-residential Care (in House)	1,273	1,169	1,097	72
Older People - Other non-residential Care (ISC)	1,590	1,457	1,402	55
<b>Total Older People - Residential/Non Residential Care</b>	<b>51,748</b>	<b>47,491</b>	<b>48,176</b>	<b>(685)</b>
<b>Older People - Care at Home</b>				
Older People - Care at Home (in House)	16,354	14,972	14,309	663
Older People - Care at home (ISC/SDS)	16,841	15,429	16,756	(1,327)
<b>Total Older People - Care at Home</b>	<b>33,195</b>	<b>30,400</b>	<b>31,065</b>	<b>(664)</b>
<b>People with a Learning Disability</b>				
People with a Learning Disability (In House)	4,633	4,249	3,135	1,114
People with a Learning Disability (ISC/SDS)	34,737	31,849	31,221	628
<b>Total People with a Learning Disability</b>	<b>39,370</b>	<b>36,097</b>	<b>34,356</b>	<b>1,742</b>
<b>People with a Mental Illness</b>				
People with a Mental Illness (In House)	559	513	302	211
People with a Mental Illness (ISC/SDS)	7,914	7,253	6,952	301
<b>Total People with a Mental Illness</b>	<b>8,474</b>	<b>7,766</b>	<b>7,254</b>	<b>512</b>
<b>People with a Physical Disability</b>				
People with a Physical Disability (In House)	931	854	608	246
People with a Physical Disability (ISC/SDS)	6,951	6,383	6,360	23
<b>Total People with a Physical Disability</b>	<b>7,882</b>	<b>7,237</b>	<b>6,969</b>	<b>268</b>
<b>Other Community Care</b>				
Community Care Teams	8,471	7,724	6,557	1,167
People Misusing Drugs and Alcohol (ISC)	16	15	9	5
Housing Support	6,091	5,528	5,219	309
Telecare	972	903	705	198
Carers Support	1,153	1,153	1,153	0
<b>Total Other Community Care</b>	<b>16,703</b>	<b>15,322</b>	<b>13,643</b>	<b>1,679</b>
<b>Support Services</b>				
Business Support	1,854	1,697	1,516	181
Management and Planning	4,663	3,078	6,111	(3,033)
<b>Total Support Services</b>	<b>6,518</b>	<b>4,775</b>	<b>7,627</b>	<b>(2,852)</b>
<b>Care Home Support</b>	<b>884</b>	<b>884</b>	<b>884</b>	<b>-</b>
<b>Total Adult Social Care Services</b>	<b>164,773</b>	<b>149,974</b>	<b>149,974</b>	<b>-</b>
<b>Less Facilities - ASC</b>	<b>(612)</b>	<b>(570)</b>	<b>(538)</b>	<b>(33)</b>
<b>Total Adult Social Care Services - excl Facilities</b>	<b>164,161</b>	<b>149,404</b>	<b>149,436</b>	<b>(34)</b>