

Agenda Item	7a
Report No	JMC/17/23

## THE HIGHLAND COUNCIL/ NHS HIGHLAND

**Committee:** Joint Monitoring Committee

**Date:** 27 September 2023

**Report Title:** Highland Health & Social Care Partnership Finance Report at Month 3 2023/2024

**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 3 (June) of the 2023/2024 financial year.

### Recommendations

- 2.1 Members are asked to:
- i. **NOTE** the financial position at the end of Month 3 2023/2024

### 3. Implications

- 3.1 **Resource** – there are financial resource implications associated with this paper.
- 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 2023/2024 financial year in March 2023. An initial budget gap of £98.172m was presented with a Cost Improvement Programme of £29.500m proposed, leaving a residual gap of £68.672m. Scottish Government have now allocated further funding for 2023-2024 of £14.673m to support the financial position to reduce the funding gap. This report summarises the position at Month 3, provides a forecast through to the end of the financial year, and highlights current and ongoing service pressures.
- 4.2 Recognising the size of the financial challenge the Board faces, the Scottish Government are providing tailored financial support to assist the Board with data and challenge in reviewing and reducing its recurrent cost base, alongside the usual monthly review of financial reporting submissions.

## 5. NHS Highland Financial Position at end Month 3 2023/2024

- 5.1 For the three months to the end of June 2023, NHS Highland has overspent against the year-to-date budget by £20.656m and is reporting a forecast of £55.788m at financial year end. This forecast includes additional funding allocated to all Boards by Scottish Government to support the financial position. NHSH received £8.030m Sustainability and NRAC parity funding and £6.590m New Medicines funding and assumes delivery of the savings target in North Highland and the significant majority of the A&B IJB target; forecast savings delivery totals £28.754m.
- 5.2 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 June 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
1,147.755	<b>Total Funding</b>	278.741	278.741	-	1,147.755	-
	<b>Expenditure</b>					
440.799	HHSCP	109.135	113.143	(4.009)	445.848	(5.049)
286.617	Acute Services	73.373	79.817	(6.444)	302.101	(15.483)
162.890	Support Services	34.562	44.117	(9.555)	197.195	(34.305)
<b>890.306</b>	<b>Sub Total</b>	<b>217.070</b>	<b>237.077</b>	<b>(20.008)</b>	<b>945.144</b>	<b>(54.838)</b>
257.449	Argyll & Bute	61.671	62.320	(0.649)	258.399	(0.950)
<b>1,147.755</b>	<b>Total Expenditure</b>	<b>278.741</b>	<b>299.397</b>	<b>(20.656)</b>	<b>1,203.542</b>	<b>(55.788)</b>
	<b>Total Expenditure</b>			<b>(20.656)</b>	<b>55.788</b>	<b>(55.788)</b>

## 6 Highland Health & Social Care Partnership

- 6.1 The HHSCP is reporting a year-to-date overspend of £4.009m with this forecast to increase to £5.049m by financial year end, assuming delivery of their full savings plan. Table 2 shows the breakdown across service areas and the split between Health & Social Care.

**Table2 – HHSCP Breakdown as at June 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>					
246.338	NH Communities	62.601	64.500	(1.899)	250.669	(4.331)
48.259	Mental Health Services	12.330	15.061	(2.732)	51.822	(3.563)
147.241	Primary Care	35.719	35.726	(0.006)	149.073	(1.831)
(1.040)	ASC Other includes ASC Income	(1.515)	(2.144)	0.628	(5.716)	4.676
<b>440.799</b>	<b>Total HHSCP</b>	<b>109.135</b>	<b>113.143</b>	<b>(4.009)</b>	<b>445.848</b>	<b>(5.049)</b>
	<b>HHSCP</b>					
268.364	Health	66.495	70.503	(4.008)	273.413	(5.049)
172.434	Social Care	42.640	42.640	(0.000)	172.435	(0.000)
<b>440.799</b>	<b>Total HHSCP</b>	<b>109.135</b>	<b>113.143</b>	<b>(4.009)</b>	<b>445.848</b>	<b>(5.049)</b>

- 6.2 Within Health, the forecast assumes the savings target of £6.546m is delivered. The position reflects the following cost pressures:

- £0.328m of service pressures in Enhanced Community Services
- £1.140m prescribing costs above planned. This reflects increases in the cost of some drugs in the national drug tariff, and activity
- £0.774m relating to two out-of-area patients previously funded by National Services Scotland but who are now considered delayed discharges in respect of having completed the specialist treatment; these patients are being charged at specialist rates whilst awaiting transfer back to NHS Highland.
- £0.800m relating to additional locum costs in 2c practice
- Unfunded supplementary staffing spends of £2.749m

The above pressures are partly offset by vacancies.

- 6.3 Adult Social Care is currently reporting breakeven at year end. This position assumes funding being drawn from the funds held by Highland Council over the 2021-2022 financial year end, and delivery of the savings target of £4.113m
- 6.4 Supplementary staffing at the end of month 3 totals £5.288m for the HHSCP – £0.614m of this spend being within NHS Highland care homes.

- 6.5 NHS Highland continues to work with providers to enable ongoing delivery of sustainable services. £0.370m has been incurred up to the end of month 3 providing ongoing support.
- 6.6 Delivery of a breakeven position continues to be based around the assumption that the funding held by Highland Council from the end of the 2021/2022 will be utilised in full during 2023/2024.
- 6.7 No additional funds will be available in 2024/2025. This will mean that, assuming the same spending and activity patterns, the HHSCP will enter the 2024/2025 financial year with a funding gap in the region of £10.000m.
- 6.8 A further breakdown of ASC costs split across service categories is shown in Table 3

**Table 3 – ASC Service Category Summary**

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
Older People - Residential/Non Residential Care	57,253	14,700	14,625	76	57,256	(3)
Older People - Care at Home	34,195	8,668	8,924	(256)	35,119	(924)
People with a Learning Disability	40,158	10,076	9,592	484	43,067	(2,909)
People with a Mental Illness	8,008	1,995	2,726	(731)	8,055	(47)
People with a Physical Disability	7,927	2,003	1,988	14	8,189	(262)
Other Community Care	17,592	4,469	4,170	299	17,832	(240)
Support Services	7,824	860	799	62	3,437	4,387
Care Home Support/Sustainability Payments	-	-	10	(10)	227	(227)
<b>Total Adult Social Care Services</b>	<b>172,958</b>	<b>42,771</b>	<b>42,833</b>	<b>(62)</b>	<b>173,182</b>	<b>(223)</b>
<b>Total ASC less Estates</b>	<b>172,434</b>	<b>42,640</b>	<b>42,640</b>	<b>-</b>	<b>172,434</b>	<b>-</b>

- 6.9 Appendix 1 to this paper provides a further breakdown of the information in Table 3 and Appendices 2-4 contain breakdowns of activity levels driving the spend in Care at Home, Care Homes and SDS Option 1.

## 7 Cost Improvement Programme

- 7.1 NHS Highland established a £29.500m Cost Improvement Programme for 2022/2023.
- 7.2 The HHSCP element of this CIP is £10.659m - £4.113m of which relates to ASC.
- 7.3 At this early stage of the financial year it is anticipated that savings will be delivered in full. However, there is a high risk associated with delivery of the

target and identifying, planning and delivering on options to reduce and improve costs is a significant focussed area within NHS Highland.

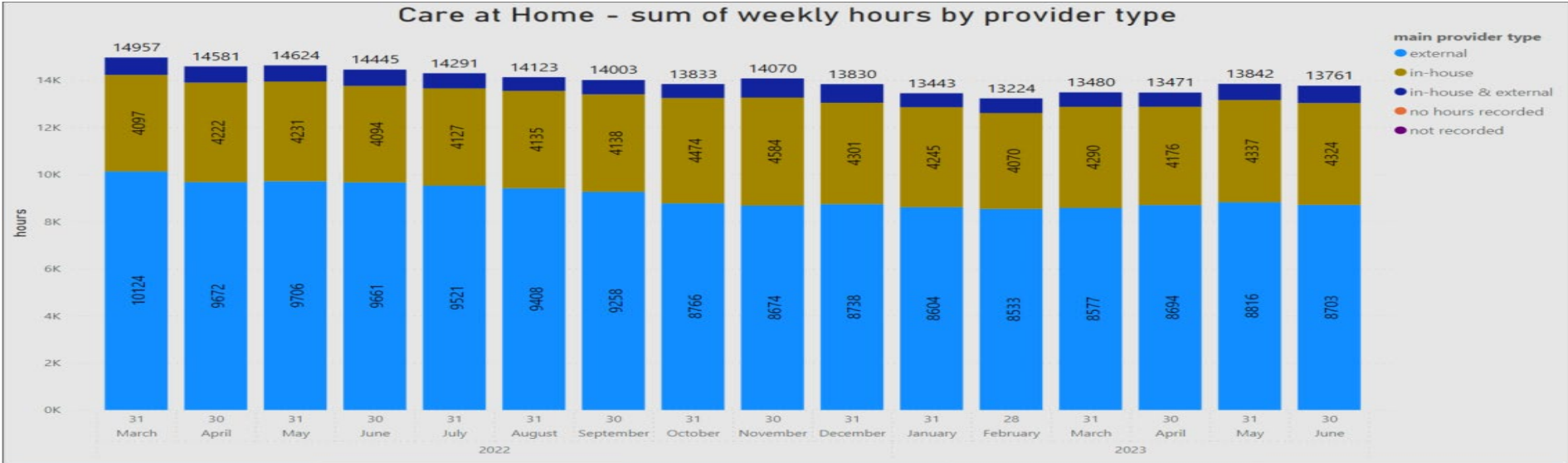
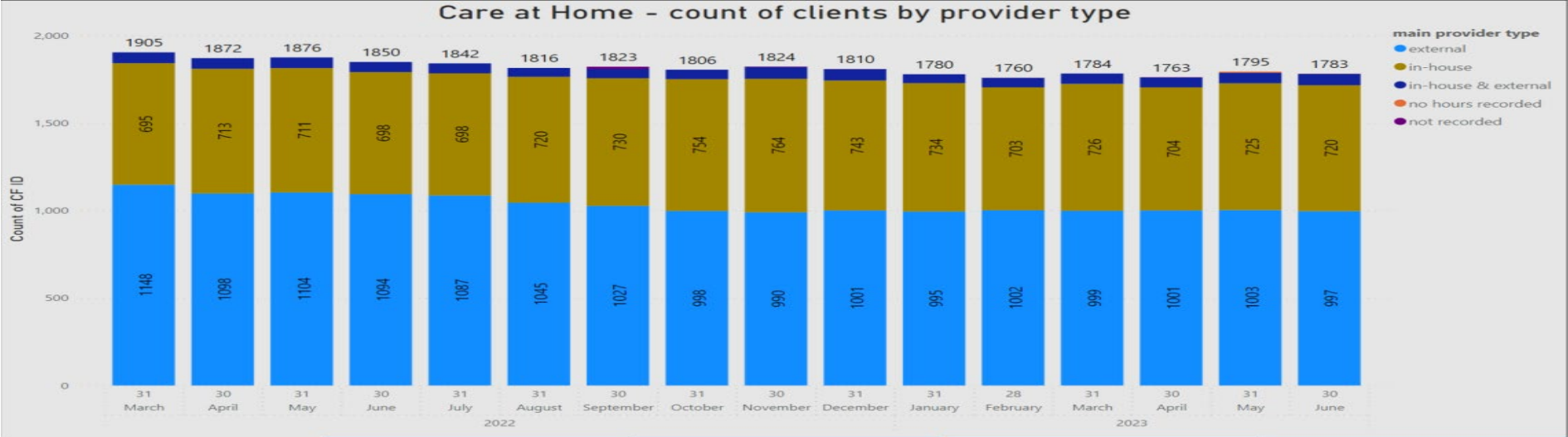
- 7.4 An Efficiency and Transformation Governance group has been established and meets weekly. Three main areas of focus have been identified – Supplementary Staffing, Prescribing and Digital – with groups set up, and led by a member of the Board Executive Team, to manage take initiatives forward.

NHS Highland

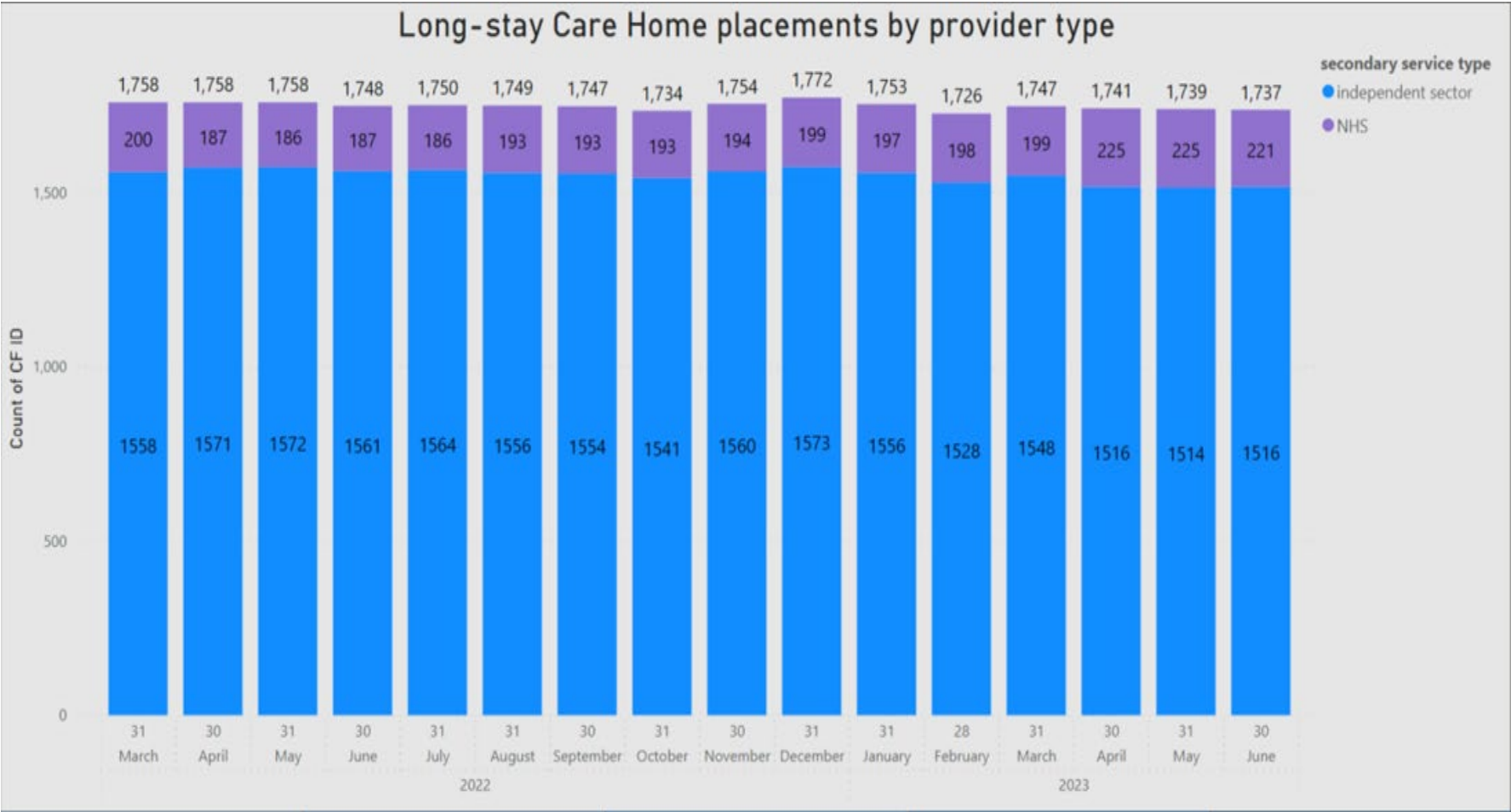
**Adult Social Care Financial Statement at Month 3 2023-24**

Services Category	Annual Budget £000's	YTD Budget £000's	YTD Actual £000's	YTD Variance £000's	Outturn £000's	YE Variance £000's
<b>Older People - Residential/Non Residential Care</b>						
Older People - Care Homes (In House)	20,776	5,568	4,990	578	19,380	1,397
Older People - Care Homes - (ISC/SDS)	33,680	8,420	8,814	(394)	34,715	(1,036)
Older People - Other non-residential Care (in House)	1,509	391	420	(29)	1,618	(109)
Older People - Other non-residential Care (ISC)	1,289	322	401	(79)	1,543	(254)
<b>Total Older People - Residential/Non Residential Care</b>	<b>57,253</b>	<b>14,700</b>	<b>14,625</b>	<b>76</b>	<b>57,256</b>	<b>(3)</b>
<b>Older People - Care at Home</b>						
Older People - Care at Home (in House)	17,870	4,580	4,248	331	17,020	851
Older People - Care at home (ISC/SDS)	16,325	4,088	4,675	(587)	18,099	(1,774)
<b>Total Older People - Care at Home</b>	<b>34,195</b>	<b>8,668</b>	<b>8,924</b>	<b>(256)</b>	<b>35,119</b>	<b>(924)</b>
<b>People with a Learning Disability</b>						
People with a Learning Disability (In House)	4,793	1,206	1,002	204	4,411	382
People with a Learning Disability (ISC/SDS)	35,365	8,870	8,590	280	38,656	(3,290)
<b>Total People with a Learning Disability</b>	<b>40,158</b>	<b>10,076</b>	<b>9,592</b>	<b>484</b>	<b>43,067</b>	<b>(2,909)</b>
<b>People with a Mental Illness</b>						
People with a Mental Illness (In House)	572	145	122	24	526	46
People with a Mental Illness (ISC/SDS)	7,436	1,850	2,604	(754)	7,529	(93)
<b>Total People with a Mental Illness</b>	<b>8,008</b>	<b>1,995</b>	<b>2,726</b>	<b>(731)</b>	<b>8,055</b>	<b>(47)</b>
<b>People with a Physical Disability</b>						
People with a Physical Disability (In House)	928	239	138	101	586	342
People with a Physical Disability (ISC/SDS)	7,000	1,764	1,851	(86)	7,603	(604)
<b>Total People with a Physical Disability</b>	<b>7,927</b>	<b>2,003</b>	<b>1,988</b>	<b>14</b>	<b>8,189</b>	<b>(262)</b>
<b>Other Community Care</b>						
Community Care Teams	9,624	2,392	2,180	212	8,924	700
People Misusing Drugs and Alcohol	301	76	33	43	117	184
People Misusing Drugs and Alcohol (ISC)	90	22	39	(17)	131	(41)
Housing Support	5,647	1,412	1,380	31	6,027	(380)
Telecare	1,507	233	201	32	1,471	36
Carers Support	423	334	337	(3)	1,162	(740)
<b>Total Other Community Care</b>	<b>17,592</b>	<b>4,469</b>	<b>4,170</b>	<b>299</b>	<b>17,832</b>	<b>(240)</b>
<b>Support Services</b>						
Business Support	2,040	528	459	69	1,841	198
Management and Planning	5,784	333	340	(7)	1,596	4,189
<b>Total Support Services</b>	<b>7,824</b>	<b>860</b>	<b>799</b>	<b>62</b>	<b>3,437</b>	<b>4,387</b>
<b>Care Home Support/Sustainability Payments</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>(10)</b>	<b>227</b>	<b>(227)</b>
<b>Total Adult Social Care Services</b>	<b>172,958</b>	<b>42,771</b>	<b>42,833</b>	<b>(62)</b>	<b>173,182</b>	<b>(223)</b>
<b>Total ASC less Estates</b>	<b>172,434</b>	<b>42,640</b>	<b>42,640</b>	<b>-</b>	<b>172,434</b>	<b>-</b>

# Care at Home

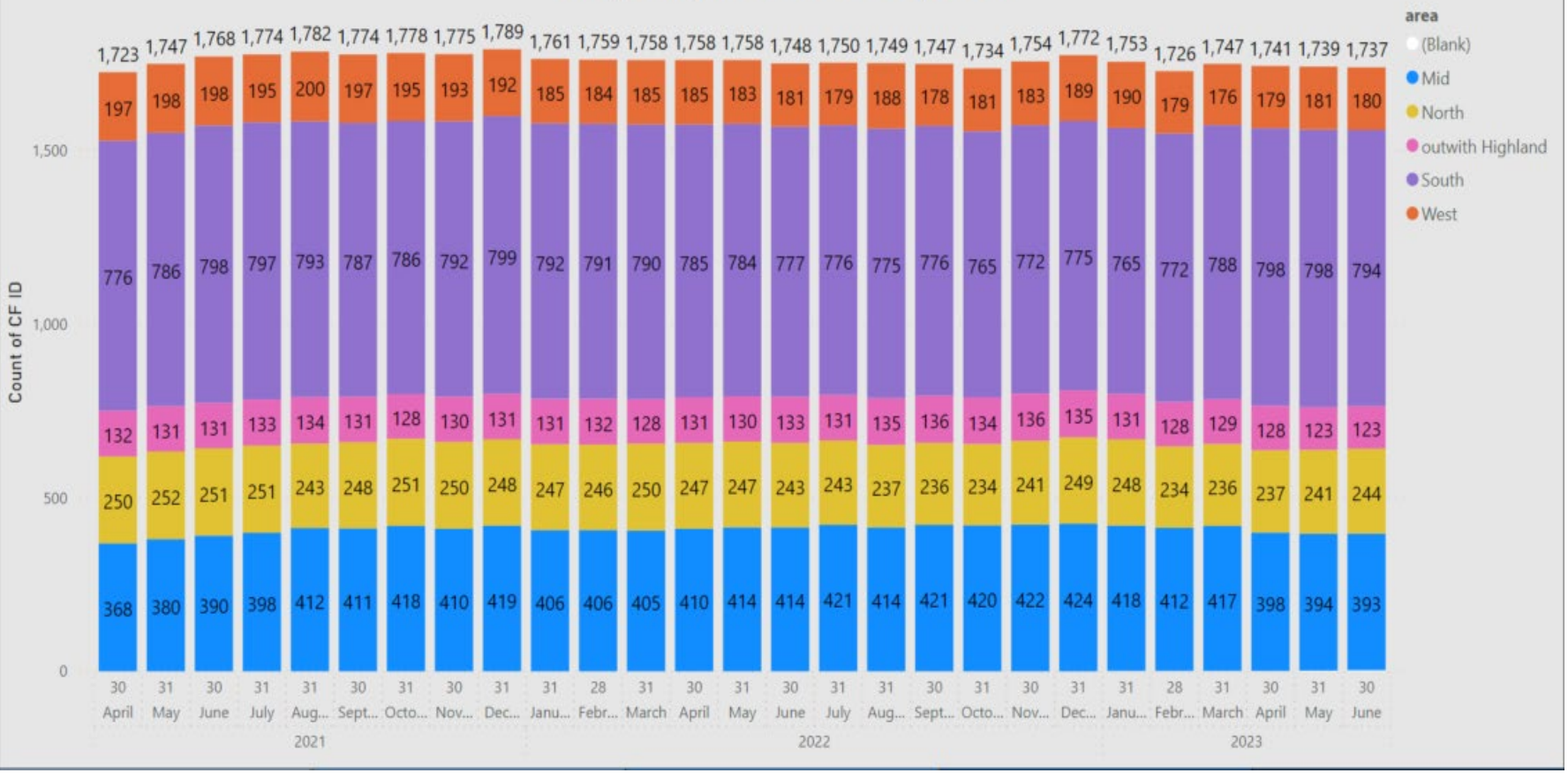


# Care Homes

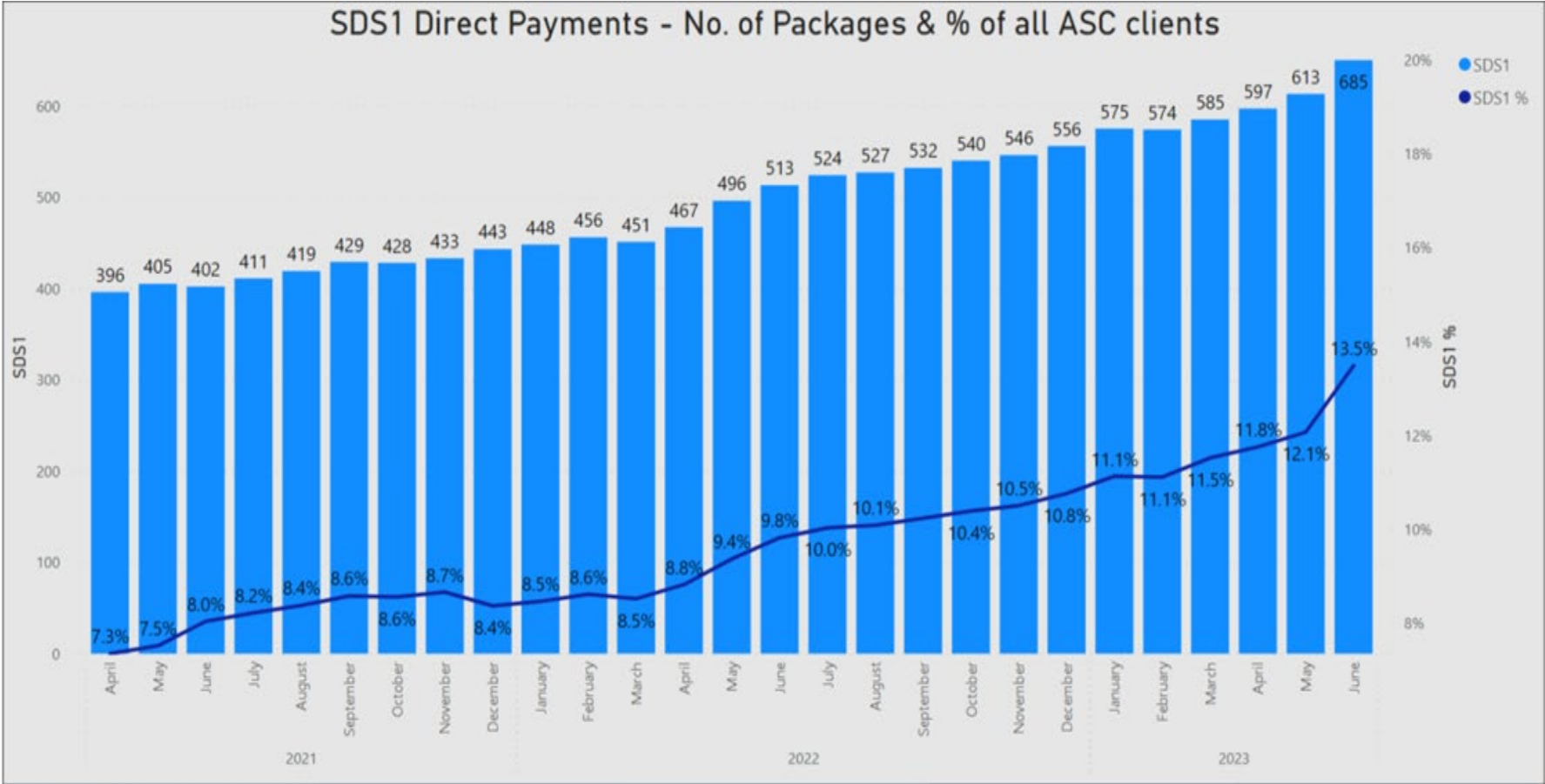




### Long-stay Care Homes by area



# Self Directed Support – Option 1



<b>Revenue Expenditure Monitoring Report -General Fund Summary</b>
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<b>1 April to 30 June 2023</b>
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	Actual Year to Date £000	Annual Budget £000	Year End Estimate £000	Year End Variance £000
<b>Table A: By Service</b>				
Communities & Place	12,983	40,775	41,010	235
Depute Chief Executive	5,400	12,319	12,301	(18)
Education & Learning	58,739	241,568	241,516	(52)
Health, Wellbeing & Social Care	29,324	183,937	183,938	1
Infrastructure & Environment and Economy	9,485	40,394	43,005	2,611
Performance & Governance	(354)	5,796	5,668	(128)
Property & Housing	5,679	74,277	74,796	519
Resources & Finance	1,595	13,404	13,291	(113)
Welfare Services	3,454	6,844	6,844	0
<b>Service Total</b>	<b>126,305</b>	<b>619,314</b>	<b>622,369</b>	<b>3,055</b>
Valuation Joint Board	1,072	3,140	3,140	0
Non Domestic Rates reliefs	2,494	2,624	2,624	0
Loan Charges	0	60,124	60,124	0
Unallocated Budget	0	29,572	29,572	0
Unallocated Corporate Savings	0	(1,979)	(1,979)	0
<b>Total General Fund Budget</b>	<b>129,871</b>	<b>712,795</b>	<b>715,850</b>	<b>3,055</b>

**Table B: By Subjective**

Staff Costs	98,610	406,239	402,434	(3,805)
Other Costs	78,867	524,450	531,818	7,368
<b>Gross Expenditure</b>	<b>177,477</b>	<b>930,689</b>	<b>934,252</b>	<b>3,563</b>
Grant Income	(24,033)	(91,719)	(92,131)	(412)
Other Income	(23,573)	(126,175)	(126,271)	(96)
<b>Total Income</b>	<b>(47,606)</b>	<b>(217,894)</b>	<b>(218,402)</b>	<b>(508)</b>
<b>Total Revenue Expenditure</b>	<b>129,871</b>	<b>712,795</b>	<b>715,850</b>	<b>3,055</b>

**Table C: Appropriations to Reserves**

Contribution to earmarked balances	0	640	640	0
Contribution to non-earmarked balances	0	0	0	0
Affordable housing contribution from 2nd homes council tax	0	0	0	0
Contribution to Other reserves	0	19	19	0
<b>Total Contributions to Balances</b>	<b>0</b>	<b>659</b>	<b>659</b>	<b>0</b>

**Table D: Financed By**

Aggregate External Finance as notified	123,410	529,105	529,105	0
Additional resources	0	15,913	15,913	0
Additional resources - GCG - Pay award	0	5,425	5,425	0
Council Tax	36,727	143,563	143,718	155
Use of earmarked balances	0	0	0	0
Use of non earmarked balances	0	19,448	22,348	2,900
Use of other reserves	0	0	0	0
<b>Total General Fund Budget</b>	<b>160,137</b>	<b>713,454</b>	<b>716,509</b>	<b>3,055</b>

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713,454

716,509

## HEALTH, WELLBEING AND SOCIAL CARE SERVICE

2023/2024	GROSS EXPENDITURE			GROSS INCOME			NET TOTAL			VARIANCE ANALYSIS			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Annual Budget	Actual YTD	Year End Variance	Annual Budget	Actual YTD	Year End Variance	Annual Budget	Actual YTD	Projected Outturn	Staffing Variance	Other Spend Variance	Income Variance	Total Variance
Quarter 1, April to June													
<b>BY ACTIVITY</b>													
<b>Service Management and Support</b>													
Management Team	926	249	7	0	0	0	926	249	926	0	0	0	0
Business Support	1,394	292	-68	0	0	0	1,394	292	1,326	-70	2	0	-68
COVID-19 Response	0	-1	0	0	-108	0	0	-110	0	0	0	0	0
<b>Looked After Children</b>													
Fostering & Adoption	6,918	1,583	-144	0	-1	0	6,918	1,582	6,774	-24	-120	0	-144
Looked After Children (Residential) In house	1,588	647	681	0	-268	0	1,588	379	2,269	681	0	0	681
Looked After Children (Respite) In house	1,334	424	393	0	0	0	1,334	424	1,727	393	0	0	393
Looked After Children (Residential) Independent / 3rd Sector	8,008	1,364	0	0	0	0	8,008	1,364	8,008	0	0	0	0
Looked After Children (Through care & aftercare)	1,953	205	-674	0	0	0	1,953	205	1,279	48	-722	0	-674
Looked After Children (Alternatives to OOA)	6,965	1,109	-2,061	-401	-179	0	6,563	930	4,502	-2,061	0	0	-2,061
Looked After Children Management and Support	677	122	-78	0	0	0	677	122	599	-80	2	0	-78
<b>Family Teams</b>													
Family Teams - North	3,055	717	-117	0	0	0	3,055	717	2,938	-131	14	0	-117
Family Teams - Mid	3,529	888	-5	0	-10	0	3,529	878	3,524	-148	143	0	-5
Family Teams - West	3,126	673	-235	0	0	0	3,126	673	2,891	-229	-6	0	-235
Family Teams - South	8,591	1,994	-339	-15	0	0	8,576	1,994	8,246	-413	81	0	-332
Self Directed Support (Direct Payments)	401	86	27	0	0	0	401	86	428	1	26	0	27
<b>Other Services for Children</b>													
Child Protection	996	205	-60	-124	-90	0	872	115	812	-63	3	0	-60
Health and Health Improvement	1,497	304	45	-632	-305	0	865	-1	910	38	7	0	45
Allied Health Professionals	3,839	988	14	-11	-82	0	3,828	906	3,842	11	3	0	14
Primary Mental Health Workers	607	136	-17	0	0	0	607	136	590	-13	-4	0	-17
Specialist Services	401	169	0	0	0	0	401	169	401	0	0	0	0
Youth Action Services	1,655	217	-245	0	-10	0	1,655	207	1,410	-222	-23	0	-245
Other Services for Children	878	230	-29	-7	0	7	871	229	849	-4	-25	7	-22
Staff Training	179	28	8	0	-4	0	179	25	187	0	8	0	8
Independent Funds	0	-17	0	0	0	0	0	-17	0	0	0	0	0
Unallocated Savings	-2,947	0	2,947	0	0	0	-2,947	0	0	0	2,947	0	2,947
<b>Commissioned Children's Services income from NHS</b>	0	0	0	-11,274	-51	0	-11,274	-51	-11,274	0	0	0	0
<b>TOTAL</b>	<b>55,570</b>	<b>12,612</b>	<b>50</b>	<b>-12,464</b>	<b>-1,108</b>	<b>7</b>	<b>43,105</b>	<b>11,503</b>	<b>43,164</b>	<b>-2,286</b>	<b>2,336</b>	<b>7</b>	<b>57</b>