

**NHS Highland**



**Meeting:** Highland Health & Social Care Committee  
**Meeting date:** 2 March 2022  
**Title:** HHSCC Finance Report – Month 10 2021/2022  
**Responsible Executive/Non-Executive:** Louise Bussell, Chief Officer, Highland Community  
**Report Author:** Elaine Ward, Deputy Director of Finance

**1 Purpose**

**This is presented to the Board for:**

- Discussion

**This report relates to a:**

- Annual Operation Plan

**This aligns to the following NHSScotland quality ambition:**

- Effective

**This report relates to the following Corporate Objective(s)**

<b>Clinical and Care Excellence</b> <ul style="list-style-type: none"> <li>• Improving health</li> <li>• Keeping you safe</li> <li>• Innovating our care</li> </ul>	<b>Partners in Care</b> <ul style="list-style-type: none"> <li>• Working in partnership</li> <li>• Listening and responding</li> <li>• Communicating well</li> </ul>	√
<b>A Great Place to Work</b> <ul style="list-style-type: none"> <li>• Growing talent</li> <li>• Leading by example</li> <li>• Being inclusive</li> <li>• Learning from experience</li> <li>• Improving wellbeing</li> </ul>	<b>Safe and Sustainable</b> <ul style="list-style-type: none"> <li>• Protecting our environment</li> <li>• In control</li> <li>• Well run</li> </ul>	√ √
Other (please explain below)		

**2 Report summary**

**2.1 Situation**

This report is presented to enable discussion on the Highland Health & Social Care Partnership financial position at Month 10 2021/2022 (January).

## 2.2 Background

NHS Highland submitted a balanced financial plan to Scottish Government for the 2021/2022 financial year in March 2021 and this plan was approved by the Board in May 2021. A savings requirement of £32.900m was identified to deliver balance in year £3.000m of this being related to Adult Social Care. This report summarises the Highland Health & Social Care Partnership financial position at Month 10, provides a forecast through to the end of the financial year and highlights the current savings position.

## 2.3 Assessment

For the period to end January 2022 (Month 10) an overspend of £0.846m is reported. This overspend is forecast to decrease to £0.192m by the end of the financial year. Scottish Government have confirmed that all NHS Boards will receive a funding package to deliver in year financial balance for 2021/2022.

## 2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Full	<input type="checkbox"/>	Substantial	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>
Limited	<input type="checkbox"/>	None	<input type="checkbox"/>	Not yet assessed	<input type="checkbox"/>

## 3 Impact Analysis

### 3.1 Quality/ Patient Care

Achievement of a balanced financial position for 2021/2022 was predicated on achievement of savings of £32.900m. The impact of quality of care and delivery of services is assessed at an individual scheme level using a Quality Impact Assessment tool. All savings are assessed using a QIA which can be accessed from the Programme Management Office.

### 3.2 Workforce

There is both a direct and indirect link between the financial position and staff resourcing and health and wellbeing. Through utilisation of the Quality Impact Assessment tool the impact of savings on these areas is assessed.

### 3.3 Financial

At the end of Month 10 2021/2022 (January) a year to date overspend of £0.846m is reported within the Highland Health & Social Care Partnership and it is forecast that this will decrease to £0.192m by 31 March 2022. Scottish Government have confirmed that a funding package will be available to bring NHS Highland, and other Boards, into in year financial balance by 31 March 2022.

### 3.4 Risk Assessment/Management

Confirmation of the funding package referenced in paragraph 2.3 mitigates the risk of non-delivery of a balanced financial position for 2021/2022.

### 3.5 Equality and Diversity, including health inequalities

An impact assessment has not been completed because it is not applicable

### 3.6 Other impacts

None

### 3.7 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage both internal and external stakeholders where appropriate through the following meetings:

- Executive Directors Group – via monthly updates and exception reporting
- Financial Recovery Board held weekly
- Quarterly financial reporting to Scottish Government

### 3.8 Route to the Meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

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## 4 Recommendation

- **Discussion** – Examine and consider the implications of a matter.

### 4.1 List of appendices

The following appendices are included with this report:

- **Appendix No 1** – HHSCP Service Financial Breakdown at Month 10 (January 2022)

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## 1. NHS Highland – Period 10

- 1.1 For the ten months to the end of January 2022 NHS Highland has overspent against the year to date budget by £10.972m and is forecasting an overspend of £16.294m at financial year end. Recent correspondence from Scottish Government has confirmed *“support will be provided to NHS Boards and Integration Authorities to deliver breakeven on a non-repayable basis, providing there is appropriate review and control at Board level.”* – on this basis a breakeven position is being reported at financial year end. At the point of writing this report confirmation of the level of further covid funding is still awaited. Discussions with Scottish Government on flexible use of funding, including the potential for return of funding to be reprovided next year, are ongoing.
- 1.2 The year end forecast includes anticipated slippage of £10.690m 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 31 January**

Current Plan £m	Summary Funding & Expenditure	Plan to Date £m	Actual to Date £m	Variance to Date £m	Forecast Outturn £m	Forecast Variance £m
1,044.597	<b>Total Funding</b>	826.594	826.594	-	1,044.597	-
	<b>Expenditure</b>					
416.952	HHSCP	345.081	345.926	(0.846)	417.144	(0.192)
248.955	Acute Services	207.637	210.231	(2.593)	254.300	(5.345)
156.743	Support Services	92.058	92.055	0.003	156.810	(0.067)
(10.690)	Savings Workstreams & Central NR T	(7.702)	0.000	(7.702)	0.000	(10.690)
<b>811.960</b>	<b>Sub Total</b>	<b>637.074</b>	<b>648.212</b>	<b>(11.138)</b>	<b>828.254</b>	<b>(16.294)</b>
232.638	Argyll & Bute	189.520	189.354	0.166	232.638	-
<b>1,044.597</b>	<b>Total Expenditure</b>	<b>826.594</b>	<b>837.566</b>	<b>(10.972)</b>	<b>1,060.892</b>	<b>(16.294)</b>
	<b>Surplus/(Deficit) Mth 10</b>			<b>(10.972)</b>	<b>16.294</b>	<b>(16.294)</b>
	Funding Support from SG to deliver breakeven					16.294
	Forecast year end position					-

## 2 HHSCP – Period 10

- 2.1 The HHSCP is reporting an overspend of £0.846m at the end of Period 10 with a year end overspend of £0.192m forecast. This is an improved position from that reported to the committee at the end of month 8 reflecting additional vacancies and application of Winter ASC funding.
- 2.2 When savings and income are taken into account the overall position forecast at financial year end is an underspend of £0.658m.
- 2.3 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 10 (January 2022)**

Current Plan £m's	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
229.894	NH Communities	190.588	192.534	(1.946)	230.373	(0.479)
41.694	Mental Health Services	34.468	34.386	0.082	42.512	(0.818)
138.364	Primary Care	114.484	114.345	0.140	138.169	0.195
7.000	ASC Other	5.540	4.661	0.879	6.090	0.910
416.952	<b>Total HHSCP</b>	<b>345.081</b>	<b>345.926</b>	<b>(0.846)</b>	<b>417.144</b>	<b>(0.192)</b>
	<b>Costs held in Support Services</b>					
(3.000)	PMO Workstreams (excl housekeeping)	(2.500)	(0.932)	(1.568)	(3.000)	-
(15.508)	ASC Income	(13.015)	(13.825)	0.810	(16.358)	0.850
398.444	<b>Total HHSCP and ASC Income/Covid</b>	<b>329.566</b>	<b>331.169</b>	<b>(1.604)</b>	<b>397.786</b>	<b>0.658</b>

**Table 3 - HHSCP Financial Position at Month 10 (January 2022) –split across Health & Adult Social Care**

Current Plan £m's	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
(3.000)	PMO Workstreams (excl housekeeping)	(2.500)	(0.932)	(1.568)	(3.000)	-
251.781	Health	207.934	207.272	0.662	250.660	1.121
149.663	Social Work	124.131	124.829	(0.698)	150.127	(0.464)
398.444	<b>Total HHSCP &amp; Covid/ASC Income</b>	<b>329.566</b>	<b>331.169</b>	<b>(1.604)</b>	<b>397.786</b>	<b>0.658</b>

- 2.4 Two main factors continue to drive this position – the previously identified pressure associated with the FME services and additional Care at Home packages.
- 2.5 Within North Highland Communities the year to date overspend is made up of an underspend in Health of £0.851m – due to ongoing vacancies - and an overspend of £2.797 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 £1.886m by year end with the overspend in Adult Social Care forecast to reduce to £2.364m over the same period. This is a prudent position with further work ongoing to match elements of this overspend to funding within the ASC winter package.
- 2.6 The position within Mental Health reflects ongoing vacancies within Adult Mental Health, Community Mental Health Teams and Learning Disabilities – YTD underspend of £0.478m

moving to an overspend of £0.073m. The forecast position at year end assumes recruitment ongoing over the period.

- 2.7 Within Drug & Alcohol the FME Service is forecasting an overspend of £1.190m by year end and is the main driver for the overspend within this area. Locums will continue to be used to deliver this service through to the end of the financial year.
- 2.8 An overspend of £0.140m is currently reported within Primary Care with this forecast to increase slightly to £0.195m by year end.
- 2.9 Within ASC Other the year to date underspend of £0.254m and the forecast underspend of £0.313m are being driven by vacant posts.
- 2.10 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 10 is summarised in Table 4 below:

**Table 4 – ASC Savings**

No of schemes	Unadjusted	Risk Adjusted
	£m	£m
29	3.295	3.291

### 4 2022/2023 Budget

- 4.1 Discussions on ASC funding for 2022/2023 are continuing.
- 4.2 Before taking account of additional allocations for 2022/2023 a funding gap of £13.300m had been identified. A savings programme of £3.000m will be developed with the balance of the gap being funded from slippage on winter funding from 2021/2022 and additional

funding anticipated in 2022/2023. The split of funding will be finalised post financial year end once an out-turn position has been finalised.

- 4.2 This is a single year solution for 2022/2023 with further discussion required to agree a sustainable solution for 2023/2024 and beyond.

## **5 Recommendation**

- Highland Health & Social Care Committee members are invited to discuss the contents of the Month 10 Finance Report.

## HHSCP Service Financial Breakdown at Month 10 (January 2022)

### North Highland Communities

Current Plan £m's	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
<b>62.833</b>	Inverness & Nairn	52.356	53.411	(1.055)	64.886	(2.053)
<b>46.770</b>	Ross shire & B&S	38.939	38.905	0.034	46.705	0.065
<b>40.515</b>	Caithness & Sutherland	33.780	33.538	0.242	40.272	0.243
<b>48.963</b>	Lochaber, SL & WR	40.386	40.069	0.316	48.352	0.611
<b>18.632</b>	Management	14.984	17.125	(2.141)	18.612	0.020
<b>4.301</b>	Community Other	3.587	3.383	0.204	4.122	0.179
<b>1.624</b>	ASC Other	1.354	1.100	0.254	1.312	0.313
<b>6.257</b>	Hosted Services	5.202	5.003	0.199	6.112	0.145
229.894	<b>Total NH Communities</b>	190.588	192.534	(1.946)	230.373	(0.479)
<b>80.667</b>	<b>Health</b>	<b>66.371</b>	<b>65.520</b>	<b>0.851</b>	<b>78.781</b>	<b>1.886</b>
<b>149.227</b>	<b>ASC</b>	<b>124.217</b>	<b>127.014</b>	<b>(2.797)</b>	<b>151.591</b>	<b>(2.364)</b>

### Mental Health Services

Current Plan £m's	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
<b>21.280</b>	<b>Mental Health Services</b>					
	Adult Mental Health	17.464	17.367	0.096	21.308	(0.028)
<b>10.966</b>	CMHT	9.155	8.774	0.382	11.012	(0.045)
<b>5.026</b>	LD	4.157	3.742	0.416	4.738	0.288
<b>4.422</b>	D&A	3.692	4.504	(0.812)	5.456	(1.034)
41.694	<b>Total Mental Health Services</b>	34.468	34.386	0.082	42.513	(0.818)
<b>32.750</b>	<b>Health</b>	<b>27.079</b>	<b>27.408</b>	<b>(0.328)</b>	<b>33.709</b>	<b>(0.958)</b>
<b>8.944</b>	<b>ASC</b>	<b>7.389</b>	<b>6.979</b>	<b>0.410</b>	<b>8.804</b>	<b>0.141</b>

### Primary Care

Current Plan £m's	Detail	Position to Date			Forecast Outturn	
		Plan to Date £m's	Actual to Date £m's	Variance to Date £m's	Forecast Outturn £m's	Var from Curr Plan £m's
<b>22.282</b>	<b>Primary Care</b>					
	Dental	18.304	17.557	0.748	21.421	0.860
<b>50.886</b>	GMS	42.477	42.758	(0.282)	51.055	(0.170)
<b>57.383</b>	GPS	47.804	48.239	(0.435)	57.902	(0.519)
<b>5.127</b>	GOS	4.098	4.109	(0.012)	5.144	(0.017)
<b>2.686</b>	Primary Care Management	1.802	1.681	0.120	2.646	0.040
138.364	<b>Total Primary Care</b>	114.484	114.345	0.140	138.169	0.195