

ITEM No ...17.....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 24 AUGUST 2020

REPORT ON: DUNDEE HEALTH AND SOCIAL CARE PARTNERSHIP COVID-19 MOBILISATION PLAN FINANCIAL OVERVIEW

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES AND CHIEF FINANCE OFFICER, DUNDEE INTEGRATION JOINT BOARD

REPORT NO: 192-2020

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to provide the Policy and Resources Committee with an overview of the financial consequences of Dundee Health and Social Care Partnership's strategic and operational response to the COVID-19 pandemic through its mobilisation plan.

2.0 RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

- 2.1 Note the content of the report including the steps taken by Dundee Health and Social Care Partnership to respond to the challenges of the COVID-19 pandemic.
- 2.2 Note the financial risks associated with the projected expenditure profile and associated additional Scottish Government funding as set out in this report.
- 2.3 Instruct the Executive Director of Corporate Services and the Chief Finance Officer of Dundee Integration Joint Board to bring forward a further update to the Policy and Resources Committee once the final Scottish Government additional funding position is agreed.
- 2.4 Note that further work is being undertaken in developing the financial framework around the Health and Social Care Partnership's re-mobilisation plan and instructs the Executive Director of Corporate Services and the Chief Finance Officer of Dundee Integration Joint Board to bring a report to the Policy and Resources Committee outlining the anticipated costs associated with this in due course.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Scottish Government has made a commitment to provide additional funding for mobilisation plans developed by Health and Social Care Partnership's in response to the COVID-19 crisis. Funding of £200k was provided to Dundee Health and Social Care Partnership through NHS Tayside in 2019/20 to meet additional expenditure incurred responding to the initial stages of the pandemic. Estimated and actual funding requirements for 2020/1 are submitted to the Scottish Government on a monthly basis and at this stage include a number of assumptions around the scale of increasing costs, some of which have been agreed nationally. This includes estimated additional costs which care providers are anticipated to incur alongside in-house services in relation to issues such as increased staff absence levels, increased use and cost of PPE and loss of income. Providers can request reimbursement of these additional costs from Health and Social Care Partnerships.
- 3.2 The current projected total cost of the Mobilisation Plan is £11.413m.
- 3.3 The Scottish Government announced an initial funding allocation of £50m across Scotland to support Health and Social Care Partnerships in May 2020 of which Dundee has received £1.429m. A further announcement of an additional £50m of funding to be made available nationally was made in early August 2020, with £25m to be distributed immediately based on the same basis as the first tranche (Dundee receiving £715k) and the release of the remaining £25m to be made following receipt and assessment of a financial return submitted to the Scottish Government on the 14th August. It is projected that this initial confirmed release of

funding will be fully spent by September 2020. Further funding is anticipated based on the cost of mobilisation plans however should full funding not be received, Dundee City Council will be exposed to a risk of around 1/3rd of any funding shortfall under the financial risk sharing arrangement set out in the IJB's Integration Scheme.

- 3.4 Dundee Integration Joint Board has no uncommitted reserves to support funding shortfalls and currently sits with a balance of committed reserves of £492k. The HSCP will continue to review all discretionary expenditure and financial resources to minimise any financial risk throughout the financial year.

4.0 MAIN TEXT

- 4.1 The COVID-19 pandemic has been the biggest public health challenge facing society, including our health and social care system, in our lifetimes. The impact of the COVID-19 pandemic on the health and social care needs of the population, how care and support services are provided, on health inequalities and on the health and wellbeing of the workforce and of unpaid carers has been substantial and wide ranging. At the present time data and modeling information about the impact of the pandemic beyond acute hospital settings is limited and it will be a number of months before we more fully understand the medium to long-term impact of the pandemic. This will include understanding the direct impact of the pandemic, such as the exacerbation of underlying long-term conditions in COVID-19 positive people, but also the indirect impacts, such as the consequences of delayed help – seeking / treatment for other health condition and impact of reduced household incomes on health and wellbeing. The Scottish Government recognises that COVID-19 will be “...*endemic to society to varying levels for a significant period of time. It is anticipated that normal society will not return and levels of social distancing and lockdown measures will be in place for 12 months or more.*” It is also clear that the medium to long-term impacts of the pandemic will persist for many years following this.
- 4.2 Services delegated to the Health and Social Care Partnership form a critical part of our overall health and social care system, particularly the wide range of community-based health, social care and social work supports and services. Partnership services have not only supported efforts to rapidly increase the availability of beds in the acute sector to respond to COVID-19 positive patients requiring hospital admission, but have also been integral to providing responses to COVID-19 positive people in the community, both within their own homes and within residential settings such as care homes. As well as working to establish new COVID-19 pathways and responses, a range of services and supports have been the subject of rapid redesign to enable continued operation in the context of social distancing regulations and public health advice. A range of essential, non-Covid services have also continued to be delivered, including face-to-face contact on a risk assessed basis. Care providers have been supported both financially and through the provision of information and advice. In addition, the Partnership has made a significant contribution to wider Dundee Community Planning Partnership efforts to respond to community support needs, such as responses to shielded people, food distribution and a range of public protection responses.
- 4.3 The HSCP's response to the crisis to date and plans for the immediate recovery period continue to evolve through the development of the HSCP's Mobilisation Plan. This is a live document which reflects the changing response as more is known about the impact of COVID-19, the response to it and how services have and will continue to adapt to life living with the disease. This has had to be submitted regularly to the Scottish Government through NHS Tayside for review.
- 4.4 Alongside the Mobilisation Plan, a monthly financial return is submitted to the Scottish Government setting out the actual additional expenditure by HSCP's incurred to date and anticipated by the end of the financial year in responding the impact of COVID-19. This includes a range of as yet unknown costs for which assumptions have been made based on the best information available at this time.
- 4.5 Separate to the commitments within the Mobilisation Plan is a commitment made by the Scottish Government to fund a 3.3% increase to care providers in relation to ensuring payment

of the living wage is made for all care staff with exceptions around local block contractual arrangements which guarantee living wage uplifts being in place to contracted fee rates. Sufficient funding has been received by DHSCP from the Scottish Government on a non-recurring basis to support this policy.

5.0 MOBILISATION PLAN FINANCIAL OVERVIEW

- 5.1 The mobilisation plan includes additional expenditure incurred through both NHS Tayside and Dundee City Council services. Additional interim funding of up to £100m nationally has been announced by the Scottish Government to HSCP's to meet additional social care costs of the response with separate funding being provided to NHS Boards to pass through to HSCP's to fund additional health services costs. Dundee HSCP has received its initial allocation of this funding of £1.429m with a further £715k to be provided in August 2020 however it is anticipated that this will be fully spent by the end of September 2020.
- 5.2 The mobilisation plans are expected to cover all reasonable additional expenditure incurred in response to the COVID-19 crisis. This includes additional staff costs incurred as a result of additional COVID-19 related absences such as through sickness, self-isolating or shielding, additional staff brought in to meet demand levels and to support new services or different ways of working. Additional expenditure has been incurred on increased requirement for PPE and the increasing cost of this due to short supply issues. Further costs have been incurred in relation to additional IT equipment to facilitate home / mobile working. Increased expenditure in relation to the provision of General Practice and prescribing costs are also reflected in the financial return. Further provision has been made for increased capacity over the winter period to increase the bed base in Royal Victoria Hospital and Kingsway Care Centre and appropriate community supports should there be an increase in COVID-19 cases. Loss of charging income from service users due to services no longer being provided or through lack of financial assessments being made are also a feature of the mobilisation plan. Provision has also been made for the non-achievement of financial savings as set out in the IJB's financial plan for 2020/21.
- 5.3 The most significant projected costs within the mobilisation plan relate to care provider sustainability expenditure. HSCP's are expected to support local care providers financially to ensure the social care market is stabilised. Providers can request additional payments through a financial support claim process to DHSCP. This covers similar expenditure incurred within in-house services such as PPE and additional staff cover for sickness absence but also includes some sector specific, Scottish Government directed requirements such as the Social Care Support Fund, which ensures any worker in the sector who is or has been absent from work due to COVID-19 related issues is paid their normal contractual pay and not just statutory sick pay. Guidance on the specific features of this scheme was issued in late June therefore providers are working this through their payroll systems now and starting to provide financial information on the cost of this through the provider financial support process. This is anticipated to result in a significant additional cost given the higher levels of sickness absence experienced during the crisis however the actual figure is not known at this stage.
- 5.4 Care homes have been impacted on significantly and national agreements are in place, funded through mobilisation plans for HSCP's to make under occupancy payments to ensure they remain viable while some are closed to admissions. The weekly fee payable to care homes has been agreed nationally and represents 80% of the national care home rate (£592 per place per week for nursing care and £508.63 per place per week for residential care). This ensures that standard running costs of the home are funded. Given the continued high level of vacancies within care homes this is expected to be one of the largest expenditure areas within the mobilisation plan. The actual additional expenditure is not known at this stage.
- 5.5 The providers financial support claim process involves assessment and scrutiny as well as benchmarking where possible by contracts officers and commissioning leads with a recommendation made to the Chief Finance Officer of Dundee IJB as to the reasonableness of the request. The Chief Finance Officer considers these recommendations and other considerations prior to authorising additional provider payments.

- 5.6 The latest financial summary of the mobilisation plan as submitted to the Scottish Government on the 14th August 2020 is as follows:

Table 1

Mobilisation Expenditure Area	Estimated Additional Expenditure to Year End (2020/21) £000
Additional Bed Capacity (Royal Victoria/Kingsway Care Centre)	769
PPE	78
Additional Staff Cover / Temporary Staff	2,282
Provider Sustainability Payments	6,149
Additional Support to Vulnerable People	19
IT / Telephony	13
Additional GP Practice Costs	667
Additional GP Prescribing Costs	161
Loss of Charging Income	660
Increased Equipment & Supplies	66
Increased Transport Costs	68
Total Projected Additional Costs	10,932
Anticipated Underachievement of Savings	481
Total Projected Mobilisation Cost	11,413
Projected NHST Spend	3,452
Projected DCC Spend	7,961

*Please note this is based on a range of assumptions, including national agreements therefore is subject to change as actual expenditure figures become clearer throughout the financial year.

- 5.7 Funding for additional NHS expenditure will be provided by the Scottish Government through NHS Boards to HSCP's. At this stage, there is no confirmation that the anticipated commitments set out above will be fully funded through that mechanism.
- 5.8 Funding for additional DCC spend will be through separate health and social care funding announced by the Scottish Government of up to £100m to date. There has not been confirmation as yet from the Scottish Government that the full additional social care costs will be met from a subsequent release of additional funding.
- 5.9 Therefore there is a significant risk that there will be insufficient funding available to DHSCP to fully fund the anticipated additional cost of responding to the COVID-19 crisis. Dundee Integration Joint Board has no uncommitted reserves to support funding shortfalls and currently sits with a balance of committed reserves of £492k. DHSCP is already operating within a challenging financial position with a net overspend incurred in 2019/20 of £4m and a range of interventions already being taken to balance the underlying budget position for 2020/21. While additional COVID-19 expenditure is controlled and monitored by DHSCP, the potential cost of decisions made nationally to support care providers will result in a commitment which can only be partly controlled by DHSCP and will be difficult to reduce. However, should additional funding not be sufficient, DHSCP will only have a limited opportunity to implement an effective financial recovery plan and will not be able to commit further mobilisation plan expenditure. This exposes both Dundee City Council and NHS Tayside to financial risk given, under the terms of the Integration Scheme any financial shortfall at the year-end is shared proportionately by the two partner organisations.
- 5.10 Work is progressing to develop the financial framework around the HSCP's re-mobilisation plan to ensure all future potential costs are identified.

6.0 POLICY IMPLICATIONS

6.1 This report has been screened for any policy implications in respect of Integrated Impact Assessment. There are no major issues.

7.0 CONSULTATIONS

7.1 The Chief Executive, Chief Officer of Dundee Integration Joint Board, and the Clerk have been consulted in the preparation of this report.

8.0 BACKGROUND PAPERS

8.1 None.

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