



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 17 September 2020

BY: Chief Finance Officer

SUBJECT: Financial Update 2020/21

1 PURPOSE

- 1.1 This report provides an update to the IJB on its year to date financial position in 2020/21 and the recent Quarter 1 financial reviews, which consider the projected year end out-turn, undertaken by both the IJB partners East Lothian Council and NHS Lothian.

2 RECOMMENDATIONS

- 2.1 The IJB is asked to:
- i. Note the Quarter 1 financial forecasts provided by our partners;
 - ii. Note the work ongoing to refine and understand these; and
 - iii. Note the financial impact and uncertainties of COVID-19 and the remobilisation of services for both partners.

3 BACKGROUND

- 3.1 At the IJB meeting in April 2020 the IJB approved the final budget offers from both partners to the IJB. It is important to note that these budget offers were prepared and approved on the basis of “business as usual”, ongoing and developing COVID-19 issues highlight that this is not the case.
- 3.2 The financial position for the IJB is therefore not straightforward to report. Understanding the results and the financial impact of COVID-19, both in terms of the impact of the actual costs incurred to date, as well as the implication for the rest of the financial year. Finance teams in both organisations continue work to determine the extent to which the projected overspend relates to: the ‘core’ (i.e. underlying operational) position; the impact of COVID-19 on costs incurred to date; and any (future) financial consequences of

mobilisation/remobilisation. The picture is further complicated by the extent to which costs can be recovered from the Scottish Government through the mobilisation/remobilisation processes.

- 3.3 The IJB financial position as at the end of June 2020 is £1.1m overspent and the Quarter 1 financial review position projects a £2.8m overspend for 2020/21. This position should be read in the context of the unknown factors mentioned above and the high risk that this position will deteriorate further.
- 3.4 At the time of writing there has been no confirmation that additional funding will be available in Health for the additional costs incurred. NHS Lothian continues to engage with Scottish Government with regards to their governance and reporting requirements for mobilisation and remobilisation plans.
- 3.5 East Lothian IJB has been received (£1.4m) for additional social care costs which will be used to cover sustainability payments to external providers. This funding has not been factored into this Quarter 1 position until the extent of the overall pressure is understood. This will be allocated in further forecasts and shared with the IJB at this time.
- 3.6 A further breakdown of this position is shown below :

	Annual Budget	YTD Budget	YTD Actual	YTD Variance @ Month 3	Q1 Forecast Outturn
	£k	£k	£k	£k	£k
Core	77,981	16,998	17,581	(584)	(2,106)
Hosted	14,175	3,261	3,354	(93)	(236)
Set Aside	19,519	4,391	4,654	(262)	(891)
Health	111,675	24,650	25,590	(939)	(3,233)
Social Care	55,251	11,518	11,733	(215)	397
Total	166,926	36,168	37,323	(1,154)	(2,836)

Fig 1: East Lothian IJB Year to Date Financial Position and Q1 Forecast

Forecast Outturn for 2020/21 @ Q1	£k
NHS Services :	
Core	(2,106)
Hosted	(236)
Acute	(891)
NHS Services (£1.8m of COVID related costs have been incurred to date)	(3,233)
Council Services :	
Social Care (to date £1.2m of COVID related costs)	29
Private Sector Housing Grant	63
HRA TOTAL	305
Council Services	397
Overall Total for East Lothian IJB	(2,836)

Fig 2: East Lothian IJB Q1 Forecast

- 3.7 As noted above, within both positions the forecast overspend reflects additional costs due to COVID-19. Main pressures include:
- NHS - Additional costs due to extra wards open in East Lothian Community Hospital, more Hospital to Home Runs and additional costs in GMS and Prescribing.
 - Council - Additional resilience capacity in Care Home beds, sustainability payments to external providers, reduction in income.
- 3.8 The out-turn projections will continue to be refined throughout the year and an updated position will be brought to the next IJB, by which time we hope that clarity regarding any additional funding will be known, remobilisation plans will be further developed and the financial consequences become clearer.
- 3.9 The IJB has always had savings to make to help meet a balanced recurring budget. This will be extremely challenging during the pandemic due to additional costs and loss of income. These will be reviewed and brought to a future IJB meeting.
- 3.10 As in previous years, the IJB produces a longer term financial outlook and updates the IJB members on this throughout the financial year. With the uncertainty attached to these extraordinary times the timetable for refining the 5 year rolling financial plan has been delayed. This will be brought to a later IJB meeting when some of the unknown issues around funding and recurrency of remobilisation plans are known and the impact these will have for the IJB.
- 3.11 Through the NHS Lothian coordinated remobilisation process East Lothian HSCP are undertaking, at this moment, to develop an enhancement to Advanced Practice Physiotherapy and the Care Home Team supporting all East Lothian Care Homes as part of the system wide remobilisation.
- 3.12 **Care Home Team Expansion**

The existing East Lothian Care Home nursing team will be extended and restructured to support all care homes within East Lothian through education input and Nurse Practitioner support to anticipatory care, long-term conditions support and to respond to acute illness presentations in residents. The team will link with the GP practices covering each Care Home for medical advice as required. Governance arrangements for East Lothian are under the oversight of the Chief Nurse as per Scottish Government instruction of 17/5/2020. Care Home occupancy, staffing, infection control and outbreak status will be managed through the Care Home Operational Group. There will be increased use of telephone assessment by the care homes rather than face-to-face, reducing time delays to assessment and reducing delays to discharge, and ultimately occupied bed days. The remobilisation resource required to do this is circa £0.4m (fye) for

increased care home team staffing and increased management resource for oversight of all care homes

3.13 Community Team Enhancement for Rehabilitation

Rehabilitation services are key to maintaining independence, keeping people out of hospital and reducing pressures and costs on all parts of the Health and Social Care system. Rehabilitation at all stages – in hospital and in the community is critical to keeping the flow of patients moving, freeing up beds and creating capacity to treat more critically ill patients. The pandemic is highlighting the requirement for a highly advanced level of community rehabilitation. Alongside those recovering from COVID-19 are large numbers of people with long-term conditions, musculoskeletal problems, falls, reduced mobility and a significant increase in chronicity and severity of routine issues that have not been addressed during this time. There will be a requirement to address not just physical complaints, but psychological and cognitive challenges. In order to provide appropriate capacity to meet need, East Lothian Integrated Rehabilitation Service requires additional staffing to support changes in the way services are delivered. The service plans to embed Technology Enabled Care in all AHP services and provide access to remote working Advanced Practitioners using the 'Near Me' platform and via telephone. At this stage the remobilisation resource required is supporting additional Advanced Practice Physiotherapists at circa £0.11m (fye).

3.14 Further updates regarding remobilisation will be reported to future meetings of the IJB.

4 ENGAGEMENT

4.1 The IJB makes its papers and report available on the Council's website.

5 POLICY IMPLICATIONS

5.1 There are no new policies arising from this paper.

6 INTEGRATED IMPACT ASSESSMENT

6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

7 DIRECTIONS

7.1 There are no Directions implications arising from this paper

8 RESOURCE IMPLICATIONS

- 8.1 Financial – discussed above
- 8.2 Personnel – none
- 8.3 Other – none

9 RISK

9.1 Like any year end projection, the IJB relies on a number of assumptions and estimates each of which introduces a degree of risk. Of particular note are:

- forecasts will vary as service driven mobilisation and remobilisation plans are developed and financial impacts crystallised;
- the extent to which COVID-19 costs will be met by the Scottish Government through the mobilisation processes;
- that there will be no further waves of COVID-19.

10 BACKGROUND PAPERS

10.1 Financial Update – April 2020 meeting.

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