



East Lothian Health and Social Care Partnership

COVID-19 COSTS AND FUNDING FOR 2020-21

Author(s):	Claire Flanagan, Chief Finance Officer East Lothian IJB
Date:	1 December 2020

<p>Situation</p>	<p>When the scale of the COVID-19 pandemic became apparent, ELHSCP devised fully costed mobilisation plans and in turn remobilisation plans to deal with the health and social care consequences.</p> <p>We have recently received confirmation of additional funding available for 2020-21 to offset these costs and this summary provides background into the main areas of expenditure.</p> <p>Shown below are forecasts for each element of the plans. Funding has come through in 3 tranches; the most recent was confirmed during November and will start to be allocated to the partners in November to cover backdated costs.</p> <p>Local planning for 2021-22 is showing that some of these additional costs will continue beyond March 2021 although we have not yet received any indication of how much funding may be available in 2021-22.</p> <p>It has recently been announced that the Scottish Government budget for 2021-22 will be published on 28th January 2021 rather than later in 2020. This decision follows the postponement of the UK Autumn Budget to an unspecified date in 2021 and instead the UK Spending Review in November will provide provisional and partial information in terms of the funding position for Scotland.</p> <p>It has been acknowledged that this causes difficulties for the Scottish Budget process and budgetary decisions will be made on partial and provisional information. The evolving situations around COVID-19 and EU Exit deal add to this exceptional set of circumstances and these difficulties have associated difficulties for local government, business and third sector.</p>
<p>Background</p>	<p>Both health & social care partners have incurred extensive additional costs that relate to COVID-19. A decision log is held which shows what decisions were made and when, providing a robust audit of events and timelines. Costs incurred and projected costs are also tracked alongside each decision.</p> <p>We report these cost projection into Scottish Government through their routine financial template returns coordinated via NHS Lothian. The most recent submission made was 23rd October 2020.</p>



A summary of projected costs at Quarter 2 is shown below.

Forecast COVID Costs for 2020-21	£k
Additional Bed Capacity @ ELCH	1,006
Sustainability Payments	2,423
Planned care - costs to Protect Services	593
Additional Staffing Costs	308
Community Hubs	176
Delayed Discharge Reduction	666
Digital, IT & Telephone Costs	95
Expansion of Care Home Team	215
Loss of Income	588
Misc	71
Unmet Savings	742
FHS Contractors	431
GP Prescribing	770
COVID Projected Costs	8,085

Mobilisation and Remobilisation plans and cost projections change regularly as we continue to alter our services to deal with the 2nd COVID-19 wave. An illustration of such a change is a recent decision of opening another ward of 20 additional beds at ELCH, increasing that element of projected spend to £1.7m.

Similar to the additional ward opening a paper on Sustainability Payments was presented at the IJB on 29th October 2020 which provided background to the guidance and approach for supporting social care providers. An extension of this support has been announced and this will continue until November 2020 and we await formal correspondence to know the exact arrangements and timescales.

Additional funding of £4.7m has now been allocated to ELHSCP towards the additional costs of COVID-19 across the health and social care system. The allocation was based on the outputs of the mobilisation and remobilisation plans submitted to Scottish Government but does not cover all costs projected to be incurred. There is scope for a further allocation in Q4 if this initial allocation doesn't cover our net requirements. This is made up of tranche 1 funding £947k, tranche 2 funding £473k and more recently the allocation based on the financial return to SG of which ELHSCP share was £3.3m.

Funding allocations above exclude any funding for GP Prescribing and FHS contractors, both of which has been impacted significantly by



	<p>additional COVID related costs. During November funding for FHS contractor additional costs has been received by the Health Board, the basis of allocation is being reviewed and therefore as yet not allocated to a partnership level.</p> <p>Although our projected costs are £8m it is acknowledged that there is a degree of budget cover already in each partner's core budget system that can cover some of these COVID costs. Work continues to understand how existing budget underspends can be repurposed. Scottish Government has also confirmed further funding allocation in January 2021 and potentially March 2021.</p> <p>Beyond 2020-21 remains uncertain both in terms of how the health and social care system must remain flexible in their ability to adapt to the consequences of this public health pandemic.</p>
<p>Assessment</p>	<p>For 2020-21, as additional funding has been received the financial risk has reduced accordingly and although difficult to give assurance the IJB will break even, the risk is lower.</p> <p>Future planning is required every year and always includes a number of assumptions which introduces a degree of risk. For 2021-22 of particular note is the requirement for services to continually adapt to changing remobilisation plans if further waves of COVID-19 occur. As highlighted above, regardless of COVID-19, there remains a significant financial challenge on the horizon for 2021-22 and the extent to which increased cost pressures will be met by the Scottish Government is unknown. The Scottish Budget will prioritise resources as effectively as possible to drive the country's economic recovery whilst managing the ongoing impact of the virus.</p>
<p>Recommendation</p>	<p>Note the contents of this report and the ongoing challenges for planning for a new normal.</p>

