

South Ayrshire Health and Social Care Partnership

REPORT

Meeting of South Ayrshire Health and Social Care Partnership	Integration Joint Board
Held on	16th September 2020
Agenda Item	8
Title	Covid-19 Financial Implications
Summary:	
The purpose of this report is to advise the Integration Joint Board of the projected financial implications of the HSCP's response to the Covid-19 pandemic.	
Presented by	Lisa Duncan, Chief Finance Officer
<p>It is recommended that the Integration Joint Board;</p> <ul style="list-style-type: none"> i. Note the estimated cost of £5.917m in responding to the Covid-19 Pandemic based on the assumptions; ii. Note the funding received to date iii. Note the financial risks faced by the IJB for 2020-21 until all funding has been confirmed 	
Route to Meeting:	
Previously noted by Integration Joint Board and IJB Budget Working Group.	

Implications checklist – check box if applicable and include detail in report									
Financial	<input type="checkbox"/>	HR	<input type="checkbox"/>	Legal	<input type="checkbox"/>	Equalities	<input type="checkbox"/>	Sustainability	<input type="checkbox"/>
Policy	<input type="checkbox"/>	ICT	<input type="checkbox"/>						

Directions required to NHS Ayrshire & Arran South Ayrshire Council, or both	1. No Direction Required	<input checked="" type="checkbox"/>
	2. Direction to NHS Ayrshire and Arran	<input type="checkbox"/>
	3. Direction to South Ayrshire Council	<input type="checkbox"/>
	4. Direction to NHS Ayrshire and Arran and South Ayrshire Council	<input type="checkbox"/>

**SOUTH AYRSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP
INTEGRATION JOINT BOARD
16th September 2020
Report by Chief Finance Officer**

COVID-19 FINANCIAL IMPLICATIONS

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the IJB with an update on the projected costs in responding to the Covid-19 pandemic.

2. RECOMMENDATION

2.1 It is recommended that the Integration Joint Board:

- i. Note the estimated cost of £5.917m in responding to the Covid-19 Pandemic based on the assumptions;**
- ii. Note the funding received to date; and,**
- iii. Note the financial risks faced by the IJB for 2020-21 until all funding has been confirmed**

3. BACKGROUND INFORMATION

- 3.1 Responding to the Covid-19 pandemic has significant cost implications, from the outset of the pandemic the Health and Social Care Partnership had a clear plan of action to ensure we were responding to the specific needs in our community.
- 3.2 The local financial mobilisation return captures the operational activities alongside the financial impact, this plan is reviewed and updated regularly as plans change and new legislation comes into place. The financial mobilisation return for SAHSCP is submitted to Scottish Government on a regular basis by NHS Ayrshire Arran the return is a combination of costs from all Ayrshire HSCP's and NHS Ayrshire and Arran.
- 3.3 The estimated costs submitted in June, for Scotland's Health and Social Care response to the pandemic are estimated at £1.354bn to 31st of March 2021. The IJB element of costs is estimated at £488m. The Scottish Government at present have £880m to support Health and Social Care, a further £80m for Test and Trace and PPE funding has still to be confirmed. From this perspective there is a significant financial risk that not all costs in the mobilisation plan will be met and recovery plans will need to be considered to ensure financial balance is achieved.
- 3.4 To date Scottish Government have confirmed funding of £100m to support social care services, with £83m distributed to date to support cashflow needs. SAHSCP have received £1.835m.

4. REPORT

- 4.1 The most recent local mobilisation finance return with estimated costs up to the 31st of March 2021 was submitted to the Scottish Government on the 14th of August. This submission includes the financial costs associated with responding to the initial pandemic and recovery and renewal activities. The NHS submitted a Phase 2 recovery and renewal plan on the 31st of July, the costs associated with these are included in the 14th of August submission.

The costs are categorised as shown below, with explanation of each cost and purpose detailed in following sections. The local mobilisation plan return and total spend column is included in Appendix 1.

Areas of Spend	£m
Delayed Discharges - Care home Beds	0.398
Delayed Discharges - Care at home hours	0.242
Delayed Discharges - Additional Biggart Beds	0.400
Community Equipment Store	0.274
Personal Protective Equipment (PPE)	0.854
Payments to Providers	1.443
Staffing Costs	1.121
Nursing Students and Bank Staff	0.113
Estates and Facilities Costs	0.178
Community Care	0.297
Children and Families	0.131
Offsetting Cost Reductions	-0.955
Delay in Achieving Savings	0.516
Loss of Income	0.212
Other - small items	0.050
Remobilisation Phase 2	0.641
TOTAL MOBILISATION PLAN	5.917

4.2 Delayed Discharges

Care Homes - £0.398m

Initial response to the pandemic was to reduce delayed discharges, this was a national directive from the Cabinet Secretary to release beds in hospital to prepare for an anticipated increase in Covid-19 related hospital admissions. During the period from 4th of March to 28th of April we reduced our delayed discharges from 76 to 30. This was facilitated by commissioning an additional 27 care home beds from the private sector. These costs are included in the financial mobilisation plan until the end of July 20, this being a reasonable estimate of when they would have been funded within the current HSCP care home budget had Covid not accelerated the necessity to move, and provided the additional funding necessary to facilitate as under current financial constraints the placements would have been delayed.

We also recommissioned the Buchanan Ward at Biggart Hospital preparing the ward to facilitate 30 community care beds if required. To date these beds have not been needed, due to the capacity available with private care home sector.

4.3 **Care at Home - £0.242m**

Additional care at home hours were purchased to facilitate delayed discharges with an additional 600 hours per week purchased initially, reducing by end of September, following same principle as care home beds there would be an expectation that these hours would be required and met within the current budget as when capacity became available.

4.4 **Additional Biggart Hospital Beds - £0.400m**

The current budget for Biggart can afford 66 beds, in order to stay in a state of readiness and relieve pressure within the acute hospital, funding has been provided to enable 83 beds to be maintained. Funding required to support bank staff requirements for the additionality.

4.5 **Community Equipment Purchases - £0.0274m**

Additional equipment was purchased at the outset of the pandemic again to facilitate delayed discharges. The equipment store was also expanded to provide a seven-day delivery service to support people at home with equipment.

4.6 **Personal Protective Equipment - £0.854m**

The pandemic has caused unprecedented increase in demand for personal protective equipment (PPE) on a global scale. The increase in demand and guidance on what minimum requirements are for staff and carers. A PPE store has been set up and staffed to support the ordering, supply and distribution to health and social care staff, independent providers and carers. The store is currently located at McCalls Avenue in Ayr. The weekly demand for our social care services is included in the table below. The PPE supply received from the NHS National Services Scotland is distributed by the PPE store to independent care homes, providers and carers.

Details / Description	Forecast Weekly Unit Requirement	Total Unit Item Cost	Cost
Type IIR surgical masks @0.92	12,600	£0.92	£11,592
Full Face Visors	350	£0.73	£256
Eye Protection Frames & Lenses/Goggles	50	£6.00	£300
Disposable Aprons @ £0.10 per apron	12,600	£0.10	£1,260
Nitrile Gloves @ £0.06 per glove	35,280	£0.06	£2,117
Vinyl Gloves @ £0.03 per glove	15,120	£0.03	£454
		Per Week	£15,978

4.7 **Provider Sustainability Payments - £1.443m**

To ensure providers remain viable during this period and are reimbursed for excess costs associated in dealing with the pandemic, COSLA provided nationally agreed principles that align with COSLA guidance for commissioned services. These documents informed our response to providers to ensure financial sustainability. The additional costs associated with supporting providers are included in the mobilisation plan. The current principles are in place until the end of September 2020, with work ongoing in collaboration with CFO's, Scottish Government and COSLA to look at tapering off the support in September before it ends.

Providers are expected to claim any national relief and business grants to ensure no duplication of financial support. They are also advised to look where costs can be reduced in their business models by for example redeploying staff.

The main elements of financial support are noted below:

Additional Expenditure £0.260m – providers are able to claim for additional costs associated with increase in PPE costs, agency costs or increased staffing costs as a result of higher levels of sickness absence and infection control expenses. Evidence is requested to view costs for the three months prior to Covid-19 and any additional costs incurred are reviewed with supporting evidence, to allow reimbursement for the additional expenditure.

Occupancy Payments £0.983m – the National Care Home Contract (NCHC) is a spot purchased contract, the HSCP therefore only pay for current placements. In order to keep care homes financially viable, COSLA agreed to pay care homes based on their average occupancy levels for the three month period to 23rd of March 2020. The payments are based on 80% of the NCHC rate.

Social Care Staff Support Fund – £0.200m – the Scottish Government have set up this fund to ensure all social care workers who are absent from work due to Covid-19 either from contracting the virus or having to self-isolate are paid their expected income. This fund is being administered by HSCP alongside the above sustainability payments, and is active until the 30th of September 2020.

4.8 **Staffing Costs - £1.121m**

Responding to the pandemic has involved additional costs in supporting sickness levels and increased levels of demand for care in some areas.

Staff cover for overtime - £0.511m required to keep core services in operation, mainly key workers costs in care at home, our own care homes, community hospitals.

Children houses - £0.048m a new staff rota was put in place to ensure adequate cover and support available for the children living there.

Care Home rapid response team - £0.055m enhanced payments to a selected team of care at home assistants to provide rapid response to support commissioned care homes where they are experiencing a significant shortfall in staff as a result of an outbreak.

Allied Health Professionals (AHP's) - £0.165m have been redeployed to support critical services within Acute and Community wards and critical services on a Pan Ayrshire basis. Physiotherapy clinical leadership in respiratory care at Ayr Hospital has been developed, staff and are now working a 7 day shift pattern, resulting in enhanced payments.

Care at Home Out of Hours Service - £0.156m to increase capacity in the current service to provide support to respond to service users out with normal care at home delivery times, this provides reassurance to services user and has avoided unnecessary admission into hospital.

PPE store and Community Equipment store staff - £0.124m – the PPE store is a new service created as a result of the pandemic to maintain stock levels and distribute the PPE this involves additional staff, who were initially redeployed from Council services. As Council services return to normal we need to fund the additional 6 FTE's from 1st of September to the end of the year to support PPE store and the delivery of community equipment.

Chief Social Work Officer (CSWO) Support - £0.025m – funding has been agreed by the Chief Social Work Adviser to provide support to the Chief Social Work Officer in their additional role in the oversight of care homes in their area. This is being used to fund additional hours from business support.

Child Protection Officer - £0.035m – additional part year funding to provide support to meet the 50% increase in child protection referrals.

4.9 **Nursing Students £0.113m**

Student Nurses were provided with short term contracts to support the Covid response, they are working within Biggart Hospital, Girvan Hospital and district nursing teams, the contracts are in place until end of September when some will go back to their studies and other's will be given opportunities to take up full time posts created within next phase of recovery and renewal.

South Covid Student Nurses							
Staff Group	Start Date	Apr/May	June	July	August	Sept	Example location
Band 3 Care Of Elderly Nrsg	13-Apr	5,151	3,220	3,220	3,220		Biggart
Band 3 General Acute Nursing	27-Apr	2,006	2,006	2,006	2,006		Girvan
Band 3 Learning Disab Nursing	27-Apr	1,891	1,891	1,891	1,891		House 4-7
Band 4 Care Of Elderly Nrsg	13-Apr	5,151	3,220	3,220	3,220	3,220	Biggart
Band 4 District Nursing Serv	13-Apr	8,870	5,544	5,544	5,544	5,544	DN Teams
Band 4 General Acute Nursing	13-Apr	2,663	1,664	1,664	1,664	1,664	Girvan
Band 4 Learning Disab Nursing	06-Apr	7,762	4,086	4,086	4,086	4,086	CLDT, House 4-7
		33,495	21,630	21,630	21,630	14,513	AIS109

4.10 **Estates and Facilities Costs - £0.178m**

Additional costs incurred in cleaning premises and equipment, including decontamination of vans used in community equipment store and hire of additional vans required to deliver equipment safely with the increased need of decontamination after each visit, this has resulted in additional transport required to keep the distribution and collection of equipment at pre Covid-19 levels.

4.11 **Other Community Care - £0.297m**

Additional costs in supporting services users in the community have been incurred due to the closure of day care services. To continue providing service users meals a freezer was purchased and meals taken to users who would have received this when attending day care. Additional telecare has been purchased as staff were unable to retrieve old equipment during lockdown. Reconfiguration of adult respite care incurred additional costs in hiring a vehicle and unit cost increase in providing residential respite, it was necessary that these services continue to provide support to carers.

4.12 **Children and Families - £0.131m**

Due to social distancing measure the respite care for children with additional support needs reduced significantly. The HSCP recommissioned a service that had ended in January, resulting in additional costs, but this provided extra respite nights that were necessary to support carers and avoid family breakdowns.

4.13 **Offsetting Cost Reductions - (£0.955)**

Due to the nature of services delivered by the HSCP and the measures put in place to stop the spread of Covid-19, there has been a reduction costs in day care provision £0.059m, adult group work £0.432m and meals provided to the day care by Ayrshire and Arran Health Board £0.050m. Unfortunately, the pandemic also affected care home occupancy levels funding reducing our actual spend on care home beds £0.414m.

4.14 **Delay in achieving savings - £0.516m**

Within budget for 2020-21 savings were approved for specific plans, that have now been paused as resources have been redirected to respond to Covid-19, it is anticipated that plans will resume to achieve the remainder of the savings.

Saving Description	Delay in savings	Detail
Elba Gardens Development	£0.085m	Development delayed until Dec 20, plans still in place to achieve remainder of the savings £0.085m
Commissioning of services	£0.072m	Work was expected to be undertaken to review current spend, still anticipated to achieve remainder of the savings of £0.072m
Review of Adult Community Care Packages	£0.360m	The review and implementation of revised Self Directed Support practice was anticipated to achieve savings from changes in care delivery through greater choice and control

4.15 **Loss of Income - £0.212m**

At the outset of the pandemic the Council took the decision to pause the implementation of the inflationary charges approved as part of the budget, this included social care charges lost income. Charges for non-personal care were also waived at the outset of the pandemic as there was no guarantee that providers would have the capacity to support this level of care, these will now be reinstated at the end of September. We provided a contribution to Ayrshire Cancer care along with other Ayrshire Partnerships, due to loss of income experienced from closure of shops.

4.16 **Other small items - £0.050m**

This includes funding for IT equipment, supporting young carers and carers providing them with technology to maintain social interaction.

4.17 **Remobilisation Plan 2 - £0.641m**

Following the submission of the Health Board remobilisation plan 2, this identified additional costs within health and social care that are expected to continue into the recovery phase and at least to the end of the financial year.

Additional Care at Home Capacity - £0.545m, current performance highlights an increase of 5% in care required on average 1 hour per week additional to each service user. This has been evidenced from care

managers advising deterioration in service users mobility and general health as an effect of isolation.

Additional Reablement Staffing - £0.098, to maintain levels of delayed discharge additional resource is required within the team to facilitate a home from hospital approach.

4.18 **Funding Received**

Nationally, Scotland's Health and Social Care response included in mobilisation plans was £1.354bn submitted in June 2020. The June submission is now out of date, with the provider sustainability principles now extended an additional 2 months these costs will rise. NHS Ayrshire and Arran Health Board have submitted a Remobilisation Plan on the 31st of July detailing the health and care services recovery plan for the period August 2020 to March 2021. This will further increase the anticipated costs to the end of the year.

The Scottish Government at present have £880m to support Health and Social Care, a further £80m for Test and Trace and PPE funding has still to be confirmed. From this perspective there is a significant financial risk that not all costs in the mobilisation plan will be met and recovery plans will need to be considered to ensure financial balance is achieved. There was assurance provided by the Scottish Government that any additional expenditure arising from responding to the pandemic, included in the mobilisation plans would be funded.

To date the Scottish Government have confirmed allocation of £100m in funding to support Health and Social Care respond to the pandemic. The funding provided is to support the social care sector and ensure sustainability.

4.19 **Financial Risks**

There is a significant risk that the funding received from the Scottish Government will not meet the costs of responding to the pandemic. There is therefore a risk that any shortfall in funding cannot be met within the current IJB budget, resulting in an overspend and more debt owed.

At present the assumption is that the Scottish Government will fund all additional Covid related expenditure. Further information and clarity is required and a further update will be provided to the IJB at the meeting on the 25th of November, alongside the Period 6 budget monitoring report. The period 6 budget monitoring report will provide a more detailed financial analysis of the budget position this will help inform the value of the financial risk. Options for financial recovery can then be explored with services and a plan of action presented if required.

5. STRATEGIC CONTEXT

- 5.1 The IJB is expected to operate within the resources available. This report contributes to the IJB Strategic Objective to “operate sound strategic and operational management systems and processes.”

6. RESOURCE IMPLICATIONS

6.1 Financial Implications

- 6.1.1 The financial implications in relation to the Covid-19 pandemic are outlined within the report.

6.2 Human Resource Implications

- 6.2.1 There are no human resource implications arising from this report.

6.3 Legal Implications

- 6.3.1 There are no legal implications arising from this report.

7. CONSULTATION AND PARTNERSHIP WORKING

- 7.1 This report has been prepared in conjunction with colleagues from South Ayrshire Council and NHS Ayrshire and Arran.

8. RISK ASSESSMENT

- 8.1 Financial risks are included in the report.

9. EQUALITIES IMPLICATIONS

- 9.1 There are no immediate equality implications arising from the report.

10. SUSTAINABILITY IMPLICATIONS

- 10.1 There are no environmental sustainability issues arising from the approval of this report by the IJB.

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

None

10.09.2020

APPENDIX ONE

COVID-19 Local Mobilisation Plan- Financial Plan- H&SCP

H&SCP Costs	TOTAL COST 2020/21	Body incurring cost (NHS or LA)	Supporting Narrative
Additional Hospital Bed Capacity/Costs - Maintaining Surge Capacity			
Delayed Discharge Reduction- Additional Care Home Beds	273,398	LA	Actual Costs incurred £273k - 27 Care home beds to assist with Delayed Discharge.
Delayed Discharge Reduction- Additional Care at Home Packages	242,496	LA	Actual Costs incurred to July 20 £155k - 600 additional hours for care at home providers to support delayed discharges, gradually reducing in year
Delayed Discharge Reduction- Additional Community Hospital Beds	400,000	NHS	Biggart Hospital increase in beds - actual staffing costs incurred
Delayed Discharge - Revenue Equipment	274,000	NHS	Actual costs incurred - Equipment Purchased from Community Equipment store to facilitate Hospital Discharge, get service users back to their homes
Delayed Discharge Reduction- other measures	-		
Delayed Discharge Reduction- other measures			
Personal protection equipment	854,248	LA	(Actual costs £528k to July) Block Purchases Remaining spend Aug to March £350k - Additional PPE for social care sector inhouse needs NHS NSS directed to NHS needs and independent sector.
Deep cleans	35,415	LA	Resource required to support inhouse and purchased providers with Deep Cleans - No costs to date, estimate
COVID-19 screening and testing for virus			
Estates & Facilities cost including impact of physical distancing measures	178,000	NHS	Additional costs incurred for cleaning, linen scrubs, £168k based on profile of costs incurred to date, additional transport of community equipment/decontamination of vans £10k
	780,335	LA/NHS	(Actual Costs £243k to July) Overtime/Bank/ Enhancements for existing Council staff to cover staff sickness £325k Change in Children Houses rotas £48k, rapid response care home team £55k . AHP Physio Team enhancement for 7 days working £165k, NHS existing staff costs to cover sick, increased hours transport staff £186k
Additional staff overtime and Enhancements			
Additional temporary staff spend - Student Nurses & AHP	112,898	NHS	Actual Costs - Student Nurses in place until mid Sept
Additional temporary staff spend - Health and Support Care Workers	280,610	LA	Actual costs to July (£13k pm) temp Staff to enhance out of hours service £156kpa from 1 April 20 to 31 Mar 31. PPE and Community Equipment staffing £124k from 1 Aug 20 to 31 March 31.
Additional temporary staff spend - All Other	60,294	LA/NHS	Staff to Support CSWO £25k from Aug 20. (NHS admin in post) Additional Child Protection Officer to support recovery from COVID from 1 Sep 20 - £35k
Additional costs for externally provided services	1,443,027	LA	Actuals £520k paid to end of July . Additional costs to support community care providers to end of September with PPE £260k (£60k paid) and sickness absence (adults and older people) £200k (£20k paid). Occupancy Payments £0.983m . (£440k paid)
Social Care Support Fund- Costs for Children & Families Services (where delegated to HSCP)	20,000	LA	Estimate - £20k, nothing received to date , further email sent out with information and deadlines
Cost to 3rd Parties to Protect Services (where services are currently stopped)	-	LA	
Additional costs to support carers	10,000	LA	£2k actual spend to date - IT to support young carers
Mental Health Services	-		North Ayrshire HSCP
Additional payments to FHS contractors	-		
Additional FHS Prescribing	-		
Community Hubs	-		East Ayrshire HSCP
Other Community Care	297,257	LA	Actual Spend £40k. Providing care for service user who would have attended day care £60k , i.e. staff travel, lunches for service users. Additional costs for Respite Care (Hansel) £217k Additional Telecare £20k (as unable to retrieve and recycle equipment not in use)
Loss of income	189,000	LA	Income charges waived for non personal care, and inflationary charges waived in line with Council policy. Restart Charging in mid Sep 20 as service resume back to business as usual
Staff Accommodation Costs	-		
Additional Travel Costs	-		
IT & Telephony Costs	5,010	LA	Estimate
Communications	-		
Equipment & Sundries	-		
Homelessness and Criminal Justice Services	-		
Children and Family Services	111,005	LA	Actuals to July 20 Respite care provision for children with additional support needs, recommissioned a closed unit to enable social distancing.
Prison Healthcare Costs	-		
Hospice - Loss of income	23,000	LA	Actual loss of income for Ayrshire Hospice
Staffing support, including training & staff wellbeing	-		
Resumption & redesign of primary care/contractor services to support access to urgent care in hours and OOH	-		East HSCP Lead
Costs associated with new ways of working- collaborative	97,878	LA	Remobilisation Plan 2 - Additional staff to support reablement to maintain levels of delayed discharge and facilitate home from hospital
Winter Planning			
Additional Care Home Beds (not delayed discharge)	124,300	NHS	Actual Costs - Buchanan Ward at Biggart to get into state of readiness for surge capacity. South Lodge £20k spent for same purpose
Additional Care at Home Packages (not delayed discharge)	543,564	LA	Included in remobilisation plan2 - due to COVID deterioration in care at home service users on average 1 hour per week additional service required, annual 920 additional hours per week required to maintain service users at home.
Other- Update narrative and add additional rows as required	-		
Offsetting cost reductions - HSCP	(954,713)	LA	Savings in Care Home underoccupancy £322k to end of Sep, Hansel Connects Group Community Care - £432k end of March 21, Adult Day Care - £59k to end of Sep, Purchase of Day Care Meals £50k
Total	5,401,020		
Expected underachievement of savings (HSCP)	516,125	LA	Savings approved in budget 20-21 that are related to investment in systems and human resources recommence savings activities in Oct 20
Total	5,917,145		