

Integration Joint Board **Agenda item:**

Date of Meeting: **16 September 2020**

Title of Report: **Covid-19 response and financial implications**

Presented by: **Judy Orr, Head of Finance and Transformation**

The Integration Joint Board is asked to:

- Note the details provided in relation to Covid-19 response and associated mobilisation plan costing
- Acknowledge the uncertainties in the cost elements submitted
- Note that the Scottish Government has in principle approved all mobilisation plans, but that approval for individual cost lines has not yet been received

1. EXECUTIVE SUMMARY

1.1 This report provides an overview of the HSCP's Covid19 mobilisation readiness and its future planning for living and operating with Covid-19. It also provides a snapshot of the financial estimates of the costs of dealing with the Covid-19 response. These cost estimates are updated on a regular basis, and are still subject to considerable uncertainties.

1.2 The Scottish Government has in principle approved all mobilisation plans. However all expenditure items over £500k require formal approval and this is still awaited for all lines submitted. The Scottish Government issued a first tranche of funding on 12 May 2020 of £50m nationally on an NRAC/GAE allocation basis and A&B HSCP received £903k as its share. A further £50m was announced by the Cabinet Secretary on 3 August and £25m of this has been distributed on the same basis as the first £50m and we will receive £452k. This is "particularly to support immediate challenges in the social care sector". In addition funding for Scottish Living Wage uplifts for social care providers has been agreed and A&B HSCP is to receive £189k as its share. In addition there is £25k for Chief Social Work Officer responsibilities for oversight of care homes. All of this funding is being routed via NHS Highland.

1.3 A small amount of expenditure was incurred in 2019/20 of £41,000 which is matched by a specific funding allocation. In addition the additional FHS (Family Health Services) Prescribing cost accrual of £324,000 (reflecting people ordering prescriptions earlier than usual in March because of the impending lockdown) was funded through NHS Highland in 2019/20, and then offset in 2020/21 where a reduction in costs is expected in the first

quarter. The regular returns are now only for 2020/21 expenditure as 2019/20 has been finalised. This report is based on the return as at 14 August with details of actuals for first 4 months (confusingly called Quarter 1 returns). Scottish Government is now expected to review Quarter 1 claims in detail by mid-September to allow funding allocations to be confirmed by end of September.

2. INTRODUCTION

2.1 This report provides information on the Health and Social Care Partnership's response to Covid-19 pandemic and associated estimated costs.

3. DETAIL OF REPORT

3.1 Summary of Covid-19 status update and look forward

3.1.1 The latest Covid-19 performance report dated 19 August 2020 shows that we have had a total of 168 cases and 64 deaths in our area up to that date. On that day we had 2 suspected cases in our hospitals at midnight and there were no care homes closed to new admissions due to confirmed or suspected cases although two were under surveillance. It should be noted that this can change daily. In total we have c 293 in our care homes, and over 1,100 receiving home care.

3.1.2 Our 8 Covid Assessment Centres assessed 26 people in the previous week with 0 patients transferred to hospital and a further 8 health & social care staff tested. A&E attendances continue to rise with 683 in that week, of which 17 had suspected Covid.

3.1.3 Re-mobilisation plans are progressing reflecting the social distancing requirements with the targets of reaching 100% of normal activity levels by end of August.

3.1.4 Unless there is a large second surge following relaxation of lockdown requirements, we are now past the peak of the pandemic. No additional beds have been required to date. This is a significant reduction from early estimates as a result of the effective social distancing now in place. However as these measures are relaxed, the situation may change. Over the coming weeks we will model our actual activity against projections to provide some assurance around the shape and length of the projected demand curve.

3.1.5 We expect our Community Assessment Centres (CACs) to have a role for some considerable time, and they are then likely to evolve into community treatment rooms as envisaged through the Primary Care Improvement Plan. Although the Mobile Testing Units are now present in all our main towns on a weekly schedule, it is envisaged that the CACs will continue to have a significant role in testing going forward. There is now a weekly regimen for testing staff and residents in care homes and this is likely to be extended to care at home workers. Testing is now also being offered to teachers in schools. Where there is a positive case identified in a care home, then

additional testing needs to be carried out through the CAC as these go to a different lab which has fewer false positive results.

- 3.1.6 There are some 320 people in care homes in Argyll and Bute - numbers have been falling. We are now providing financial sustainability support to care homes for vacant places (as agreed nationally) and have so far agreed payments totalling just over £222k. Of this £50k was paid out as an advance in May under local arrangements before the national arrangements were fully agreed. Financial support is also being provided for additional staffing costs, and other direct costs, but claims are still to be processed for these. To end of July, we have received total financial support claims to date of £490k. Only around half (by number) of all expected claims have been received. We have employed an additional temporary member of staff to concentrate on processing these claims.
- 3.1.7 Social care providers have been provided with personal protective equipment (PPE) free of charge from our community PPE hubs since the start of May. Over the 15 weeks since then, over 2.3m items of PPE have been provided, mainly fluid resistant masks, disposable aprons and gloves. Eye protection and hand sanitiser are also available from the hubs. They provide care homes, registered social care providers, unpaid carers and personal assistants employed through self-directed support. These hubs are expected to be in operation at least until October.
- 3.1.8 Hospital PPE was also provided free of charge on a push basis from the national distribution centre for a period of time, but this has reverted to a normal chargeable basis since mid-May. There have been some direct deliveries to GP practices, dental practices and optometrists which are scheduled on a 4 weekly basis till end August / early September, and are expected to continue longer perhaps with central distribution. These are not chargeable. If they run out in between, further supplies are obtainable through Health Boards.
- 3.1.9 It is clear that the length of time we will have to deal with the implications of this pandemic is extending into the next 12 months. This disease burden is part of the new activity “norm” and we will have to focus on simultaneously managing Covid19 whilst resuming routine, comprehensive health and social care. This has financial implications and regular cost returns are submitted of the levels of estimated costs as explained below.

3.2 Covid 19 Mobilisation costing

- 3.2.1 Since the start of April, the HSCP has been required to contribute to a local mobilisation plan cost return on a regular basis, submitted to Scottish Government through NHS Highland. The most recent return was submitted by NHS Highland on 17 August and has been referenced for this report.
- 3.2.2 The format of the return has changed regularly in this period. The initial return of 2 April provided certain parameters for expected staff absence and a predetermined phasing for costs associated with additional beds. The most recent return reflects actual costs for the first 4 months and revised assumptions to end of the year. A number of new lines have been added.

- 3.2.3 The return includes 3 tabs relevant to the HSCP. There is an approval tracker which lists our local approvals for items above £30k (approved at Silver Command meetings) and this is amalgamated into the Health Board's overall approval tracker which will also record approvals from Scottish Government for items over £500k – none received as yet.
- 3.2.4 The next tab is a bed model and this shows that we are now expecting zero net additional beds. We initially designated 61 as Covid beds for the first quarter reducing down to 0 by March 2021 but this has been removed as we were not staffing these differently. Acute beds provided by NHS GG&C are included in their return and will not be recharged to us. Covid costs are being recorded and refunded on a Board of Treatment basis.
- 3.2.5 The final tab shows the costs expected to be incurred across all cost lines. The calculations for these have followed the assumptions provided to HSCPs from the Chief Financial Officer Network and the latest guidance. These cost estimates are now informed by actual costs incurred in April to end of July.
- 3.2.6 A small amount of expenditure was incurred in 2019/20 of £41,000 which is matched by a specific funding allocation. In addition the additional FHS Prescribing cost accrual of £324,000 (reflecting people ordering prescriptions earlier than usual in March because of the impending lockdown) was funded through NHS Highland directly in 2019/20, and then clawed back in 2020/21 where there is an offsetting reduction in costs expected.
- 3.2.7 Actual costs are being carefully tracked. Social care providers have been asked to invoice additional Covid related costs separately and detailed guidance has been given to them on what type of additional costs (such as PPE, equipment and additional staffing) is expected. Care Homes are receiving funding of vacant beds due to under-occupancy at 80% of the agreed national care home contract rates to end of July. Details of support for August and September are still to be finalised. Additional support for extended sick pay for social care providers has been agreed nationally to end of September, few claims have been received for this so far. Claims for other additional costs are still being processed. Direct costs for supplies and equipment are being charged to Covid cost centres. Where additional staff are being employed, and for additional hours over normal working, this is also being tracked through codes on time sheets and specific Covid approvals through workforce monitoring. There is some time lag before these costs are shown in the financial ledgers and the position on actual costs is only now starting to be seen, and variances investigated.
- 3.2.8 The Scottish Government has in principle approved all mobilisation plans. Two meetings have been held with Scottish Government officials on our plan submissions but no individual lines have been formally approved. Nationally the Scottish Government has funding available of £600m plus £20m for hospices and it is understood that the submissions to date far exceed the funding available. Of course, actual costs may prove to be lower. Regionally, there is now some peer review and benchmarking but this is unlikely to get into full flow till after the end of quarter 1 submissions.

- 3.2.9 Separate funding has been received through NHS Highland for the national agreement to implement the Scottish Living Wage which came in 3 weeks earlier than we would normally have implemented it, and at a slightly higher rate. We have received £189k which covers our extra costs, and these are now removed from the mobilisation cost tracker.
- 3.2.10 The only other funding distributed so far is a share of £75m for social care costs to assist with cash flow – our share is £1,355k on a national formula basis. In addition, we have been advised there will be funding of £25k for Chief Social Work Officer for 6 months commencing 29 June 2020 to support CSWO capacity to support oversight of care homes. There has been some funding direct to GP practices and pharmacies predominantly for opening on the bank holidays. Allocations for Health costs covering months 1 and 2 were expected to be announced shortly, but could well be on a formula basis just as an interim measure. The main allocations for quarter 1 will be based on a review of the returns due on 14 August, and these funding allocations are expected by end of September.
- 3.2.11 Our estimated costs on the plan as at 14 August 2020 total £14.492m prior to receipt of any funding. This has increased by £476k from the £14.0m previously reported as of 24 July. The current submission covers the following key areas:

Cost area	£000s	comment
Additional hospital beds	124	Bed purchases
Reduction in delayed discharges (17)	268	Now tracked actual costs, 10 for care at home packages, 7 care home placements
PPE	935	Increased reflecting long term need for this and purchases of contingency stocks in June
Deep cleans	40	Social care only – none in first 4 months
Estates & facilities	507	Includes hospital deep cleans. Additional costs of remobilisation anticipated
Additional staff overtime	480	first 4 month actuals and extrapolated in line with July figures
Additional temporary staff	1,871	Increased for flu season
Scottish Living Wage national implementation	0	Funded separately – now removed
Additional costs for externally provided services	1,132	£82k YTD, bulk estimated for additional Social care remobilisation / winter costs
Care homes income support for vacancies	1,159	Added based on national guidance including staff support fund, 38 claims to date
Mental Health services	155	Counselling services
GP practices	774	Previously based on May costs, none in June & July
Opticians	589	Updated for actuals

Additional prescribing (1%)	281	Updated for 1 st qtr actuals
Community hubs (CACs) and screening / testing	354	Activity levels lower than anticipated and costs dropped in June
Staff accomm, travel, IT & telephony costs	291	Supporting home working
Revenue equipment	223	Now excludes beds
Loss of income	761	Reduced charges to patients of other boards and social work client contributions reflecting lack of activity
CSWO, infection control, winter planning	354	New lines added
Underachievement of savings	4,593	Reduced in line with latest forecasts
Offsetting savings - Health	(400)	Now recognised – travel etc only for first 4 months in line with practice elsewhere
Total	14,492	

3.2.12 The key changes are to reduce offsetting savings by £800k to £400k to reflect first 4 months only rather than full year estimate in line with other boards, to add in additional loss of income from social care client contributions of £323k, increase in additional temporary staff provisions (mainly for health for flu season) of £521k, and reduction in provision for external services of £1.288m. The last item is an estimate in connection with remobilisation.

3.2.13 It should be noted that at a Health Board level, new lines have been added for managing the backlog of planned care and for waiting list initiatives and these are pan Highland wide estimates. These are subject to specific discussion with Scottish Government.

4. RELEVANT DATA AND INDICATORS

4.1 Information is derived from the financial systems of Argyll and Bute Council and NHS Highland.

5. CONTRIBUTION TO STRATEGIC PRIORITIES

5.1 This work supports/underpins the HSCPs strategic and operational response to this emergency pandemic.

6. GOVERNANCE IMPLICATIONS

6.1 Financial Impact – The additional costs for responding to Covid-19 are estimated and set out in Appendix 1. There are considerable uncertainties surrounding these estimates and in the funding that will be made available from Scottish Government.

6.2 Staff Governance – The workforce deserves significant credit for their flexibility and proactive response.

6.3 Clinical Governance - Clinical governance response has been fundamental to the shaping and management of the public health projections and demand modelling and our response to ensure patient, client and staff safety.

7. PROFESSIONAL ADVISORY

7.1 Input from professionals across the stakeholders remain instrumental in the response to the Covid19 pandemic.

8. EQUALITY AND DIVERSITY IMPLICATIONS

8.1 These will need to be reviewed and considered as we progress through this pandemic cycle and emergency operating arrangements

9. GENERAL DATA PROTECTION PRINCIPLES COMPLIANCE

9.1 Compliance with GDPR remains critical and is being considered within the various pieces of work supporting the sharing of information and data to protect health and wellbeing of staff and the public and patients.

10. RISK ASSESSMENT

10.1 There is considerable uncertainty around the funding that will be made available from the Scottish Government for Covid-19 mobilisation plans. Approval has been received in principle but we do not yet have approval for any specific expenditure lines for 2020/21. Funding for the 2019/20 costs of £41,000 has been confirmed.

11. PUBLIC AND USER INVOLVEMENT AND ENGAGEMENT

11.1 None directly from this report.

12. CONCLUSIONS

12.1 This report provides an overview of the HSCP response to address the Covid19 pandemic. This has been achieved through fantastic commitment and support of our staff and all our partners and stakeholders and the wider Argyll and Bute community as well as the SAS and NHS GG&C.

12.2 Our scale of mobilisation has flexed and adapted over the last 4 months and we are now passed the peak. We are however, now moving towards a new phase of this pandemic "Covid19 normal" which is certainly going to extend into the next 12 months and probably longer. This requires the HSCP and partners to cement new ways of working and operating in our new covid19 world. Work on planning for re-mobilisation is well underway.

12.3 The appendix provides a snapshot of the costing for the Covid-19 mobilisation as per the return of 14 August 2020. This will continue to be updated regularly as assumptions are refined and actual costs are incurred.

13. DIRECTIONS

Directions required to Council, NHS Board or both.	Directions to:	tick
	No Directions required	√
	Argyll & Bute Council	
	NHS Highland Health Board	
	Argyll & Bute Council and NHS Highland Health Board	

REPORT AUTHOR AND CONTACT

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APPENDICES:

Appendix 1 – Covid-19 local mobilisation tracker weekly return as at 14 August 2020