Integration Joint Board **Agenda item:**

Date of Meeting: **25 November 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 for social care costs 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. A further distribution of £400k (part of £8m nationally) has been distributed based on cashflow requirements for first 4 months. 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 and there is £25k for Chief Social Work Officer responsibilities for oversight of care homes. All of this funding is being routed via NHS Highland and announcements to date total £1.969m.

1.3 At the end of September, there was a further funding announcement based on the first quarter Covid cost tracker returns. The funding is being routed via NHS Highland and we are still waiting to hear exactly what our share is. Some elements are allocated based on actual spend and some elements are based on NRAC share. There are indicative allocations for the

remainder of the year at 50 or 70% of actuals or on NRAC share also included. The total for NHS Highland is £34.173m of which £10.188m is for the two HSCPs including A&B. This is additional to social care funding already received.

1.4 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 draft return for quarter 2 as at 19 October with details of actuals for first 6 months. Scottish Government will now review returns on a quarterly basis. A further funding announcement is expected in January.

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 14 October 2020 shows that we have had a total of 341 cases and 36 deaths within 28 days of a positive test result in our area up to that date. The total number of registered deaths involving COVID-19, confirmed or presumed, for Argyll and Bute residents was 67 as of the last weekly NRS report on 14th October.

3.1.2 The latest daily sitrep dated 15 October showed we had no suspected or confirmed cases in our hospitals at midnight. There was one care home closed to new admissions due to precautionary measures following a confirmed staff case (no residents affected) and none under surveillance. It should be noted that this can change daily.

3.1.3 A&E attendances have reduced with 467 in the week ending 14 October probably with fewer tourists in our area. Re-mobilisation plans are progressing reflecting the social distancing requirements with previous targets of reaching 100% of normal activity levels by end of August reduced to an amended target of 70-80% reflecting the much slower pace of remobilisation within NGS GG&C (they are aiming for 60% by end of October).

3.1.4 No additional Covid 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 is changing, and we are seeing increasing levels of infections. So far people have generally not required hospitalisation and there have been few new deaths yet in our area.

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 / respiratory assessment centres through the winter period. We are recruiting additional staff to man these 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 and are likely to move to 7 day per week working. 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. More of this testing is likely to be done through NHS routes in future.

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 £415k. Financial support is also being provided for additional staffing costs, and other direct costs, and we have agreed payments for these of a further £246k. These claims are being processed as fast as possible. 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 23 weeks since then, just under 3.8 million 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 now expected to be in operation at least until March, following the recent revision of the national Memorandum of Understanding relating to their use.

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 with the exception of FFP3 masks which are being issued on a push basis due to low supplies. There are continuing direct deliveries to GP practices, dental practices and optometrists which are not chargeable. If they run out in between, further supplies are obtainable through Health Boards. In the longer term they should move to direct distribution nationally but that requires roll out of the Pecos ordering system to all of this bodies.

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 drafted on 19 October and has been referenced for this report. It is not due for submission until 23 October by NHS Highland.

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 6 months and revised assumptions to end of the year. A number of new lines have been added. These returns will now be submitted only on a quarterly basis going forward, but locally we will continue to update our data on a monthly basis.

3.2.3 The return now requires data to be split between health and social work as funding arrangements differ for each.

3.2.4 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.

3.2.5 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 August. These payments are now being tapered over a three-month transition period with 75% of claims for voids caused by COVID paid for the month of September, 50% for the month of October and 25% for the month of November. Additional support for extended sick pay for social care providers has been agreed nationally to end of December. Claims for other additional costs from end of September are restricted to those for infection prevention control, PPE and additional staffing costs.

3.2.6 Direct costs for supplies and equipment are being charged to Covid cost centres. Where additional staff are being employed in-house, and for additional hours over normal working, this is also being tracked through codes on time sheets and specific Covid approvals through workforce monitoring.

3.2.7 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 announced total funding available of £1.089 billion to support health and social care on 29 September. The health and social care system will continue to operate on an emergency footing until the end of March 2021.

3.2.8 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.

3.2.9 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 plus a further £400k (share of £8m) based on actuals to end July. 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 the first 3 months were announced at the end of September based on the month 5 submission, and are partly on a formula (NRAC) basis and partly on actuals. There are indicative allocations for the remainder of the year at 50 or 70% of estimates/actuals or on NRAC share also included. The total for NHS Highland is £34.173m of which £10.188m is for the two HSCPs including A&B. We are still waiting to learn the A&B share. This is additional to social care funding already received.

3.2.9 Our estimated costs on the plan as at 19 October 2020 total £14.063m prior to receipt of any funding. This has increased by £516k from the £13.547m previously reported as of 16 September. The current submission covers the following key areas:

Cost area	**£000s**	**comment**
Additional hospital beds	124	Bed purchases
Reduction in delayed discharges (17)	293	Now tracked actual costs for 17 clients, 10 for care at home packages, 7 care home placements. Decreased by £48k due to changes in care
PPE	547	Little change - as now expect community PPE hubs to continue in place till end of year providing f.o.c. to social care
Deep cleans	30	Social care only – none in first 4 months
Estates & facilities	538	Includes hospital deep cleans. Additional costs of remobilisation anticipated. Increase of £41k
Additional staff overtime	474	first 6 month actuals and extrapolated (Reduced by £48k)
Additional temporary staff	1,894	Increase allowed for flu season (Reduced by £94)
Additional costs for externally provided services	82	£82k YTD, no change
Care homes income support for vacancies	1,277	Added based on national guidance including staff support

		fund, now extended to November – little changed
Mental Health services	113	Counselling services
GP practices	614	Updated based on Sept costs
Opticians	562	Updated for actuals
Additional prescribing (1%)	233	Updated for actuals – none in July to Sep
Community hubs (CACs) and screening / testing	1,145	Increased by £525k as CACs expected to move to 7 day working and additional staff required, mix of GPs, nursing & admin. Includes testing in Oban labs and transport to GCC labs
Staff accomm, travel, IT & telephony costs	308	Supporting home working
Revenue equipment	206	Little change
Loss of income	601	Reduced charges to patients of other boards and social work client contributions reflecting lack of activity – little change
CSWO, infection control, Public health capacity (Flu vacc)	454	Increased by £45k
Winter planning	500	Increase of £200k
Managing backlog of planned care and unmet demand	519	Previously added at Health Board level – estimates from October/Nov
Underachievement of savings	4,150	In line with latest forecasts – reduced by £443k
Offsetting savings - Health	(600)	Now recognised – travel etc for first 6 months in line with practice elsewhere (previously 5 months)
Total	**14,063**	

3.2.10 The key changes are an increase in offsetting savings by £100k to £500k to reflect 6 months rather 5, increase in winter planning of £200k, increase in estimates for CACs of £525k, reduction in underachieved savings of £443k and a new line for managing backlog of care of £519k (previously in Board return only. Overall an increase of £516k.

3.2.11 The following is an extract of the letter from Christine McLaughlin, DG Health & Social Care, dated 29 September 2020 re funding for Covid-19:

- It is essential that all action is taken to mitigate additional financial pressure as far as possible and to make best use of resources across the system. We are requesting that all Boards and Integration Authorities reassess **options for savings** that can be delivered in this financial year and beyond. We request that a formal reassessment is submitted following Quarter 2, and will revisit at that point our approach for provision of financial support. We are therefore not making any funding allocation at present in recognition of under-delivery of savings.

- Funding is allocated in line with **actual expenditure** where spend disproportionately impacts on specific Boards/Integration Authorities and where there is a significant uneven distribution. This includes funding for PPE, Louisa Jordan, planned care, and also includes funding for social care. We will also allocate all funding for National Boards based on actual expenditure levels.
- Funding is allocated **up to an NRAC share** to cover spend that is incurred across all Territorial Boards/Integration Authorities and where there is a higher level of consistency between Board areas. This would include staffing costs and overtime, equipment, investment in digital, additional beds, and community hubs. We expect, in principle, that funding is allocated between NHS Boards and Integration Authorities on the basis of the tables of the Annex, however Boards and Integration Authorities may agree to allocate funding flexibly between categories to better recognise local pressures and priorities. We will keep this under review in the coming months.
- We recognise that **further funding** may be required to meet costs that have been in excess of formula shares, and we will review reasonable requests for further financial support to meet such pressures. In the meantime we expect NHS Directors of Finance and Integration Authority Chief Finance Officers to consider recharging for cross boundary flow in order to address funding variances.
- Given the level of uncertainty that is currently reflected in financial assumptions, the allocation for funding beyond Quarter 1 reflects a **general contingency of 30%** that will be retained by the Portfolio at this stage. We will continue to work closely with Boards and Integration Authorities over the coming months to review and further revise financial assessments, and as part of this we intend to make a **further substantive funding allocation in January**. This will allow identification of the necessary additional support required, and realignment of funding in line with actual spend incurred.
- In terms of **social care**, further work is currently progressing with Integration Authorities and with COSLA to identify financial implications of actual spend incurred and ongoing commitments, including sustainability payments for providers. Given the level of uncertainty reflected in current estimates, the funding allocation at present is based on Quarter 1 actual spend and 50% of forecast spend for the remainder of the year. This is intended to support ongoing sustainability across the sector, and to allow time in the coming weeks for further assessment of spend to be undertaken. We will return to the social care allocation in November and make the funding adjustments that are required.

3.2.12 The Scottish Government is now only asking for future returns on a quarterly basis and the next funding announcement will be in January. Locally we will continue to assess our costs and submit these to NHS Highland on a monthly basis.

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 6 months. 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 Covid-19 world and to continue to flex activity for new waves of infection.

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

13. DIRECTIONS

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

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APPENDICES:

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