**Integration Joint Board** **Agenda item:**

**Date of Meeting:** **27 January 2021**

**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 COVID-19 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. All funding is being routed via NHS Highland and announcements to date total £9.097m. A small amount (£57.5k) re Chief Social Work Officer funding has still to be distributed. Two amounts of funding (GP allocation and Scottish Living Wage) are being excluded from our COVID-19 cost returns – in total £598k – and so are not reflected in the analysis below. Looking solely at the allocations from our regular COVID-19 returns, based on the latest return as at 15 January 2021, we have claimed £11.284m and received funding of £9.086m leaving a balance of £2.198m to be funded.

1.3 We are expecting funding to be further revised in January based on our latest return submitted on 30 November.

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.

1.5 This report is based on the draft return for quarter 3 as at 15 January with details of actuals for first 9 months. Scottish Government are reviewing returns on a quarterly basis. A further funding announcement is expected later 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 epidemiology briefing dated 14 January 2021 shows that we have had 60 new cases in Argyll and Bute in the 7 days to 10 January, 9 fewer than the previous week. By Argyll and Bute locality area, Helensburgh and Lomond had the highest number of cases (26), in week ending 10th January, followed by Cowal and Bute (21). The test postive rate, over 7 days to 10th January, was 3.4%, a decrease from the previous 7 days. Rates of cases, per 100,000 population, in Argyll and Bute as a whole remain low compared to neighbouring areas. The most recent estimate of R in Argyll and Bute, on 8 January, is between 0.86 and 1.44 (90% confidence interval). Argyll and Bute is mainly in Tier 4 with selected islands in Tier 3.

3.1.2 The latest daily sitrep dated 15 January showed we had 1 confirmed case in our hospitals at midnight. There was were 2 care homes closed to new admissions and one under surveillance but none with any confirmed cases. It should be noted that this can change daily.

3.1.3 A&E attendances have remained relatively stable with 467 in the week ending 6 January. Re-mobilisation plans have slowed as a result of higher levels of COVID-19 and it is now expected that it may take till quarter 2 or 3 next year before we see a return to fully normal pre-COVID-19 levels of activity.

3.1.4 No additional COVID-19 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 with the new more infectious variant, the situation is fast changing, and we are seeing increasing levels of infections. So far, few people have required hospitalisation and there have been few new deaths 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. The Mobile Testing Units are now present in all our main towns on an increased schedule, with 7 day testing in Oban, 5 days in Lochgilphead and 3 days in the other 4 towns. 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 of lateral flow tests for testing staff and residents in care homes and this is soon to be extended to care at home workers, day centres and personal assistants, unpaid carers. It is also now being offered to all front facing clinical staff through our hospitals and GP practices. Testing is now also being offered to teachers in schools. Where there is a positive case identified in a care home, then additional PCR 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 296 people in care homes in Argyll and Bute - numbers have been falling. We are continuing to provide financial sustainability support to care homes for vacant places (as agreed nationally) and have so far agreed payments totalling £467k. Financial support is also being provided for additional staffing costs, and other direct costs, and we have agreed payments for these of a further £357k. These claims are being processed as fast as possible. We have employed an additional temporary member of staff to concentrate on processing these claims. Financial support is continuing from December to March on a changed basis.

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 37 weeks since then, just under 5.9 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, and are also about to start issuing lateral flow tests to day care centres, and personal assistants and professional social workers.

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, and supplies to support flu and COVID-19 vaccination programmes. There are continuing direct deliveries to GP practices, dental practices and optometrists which are not chargeable. If addition, there are push deliveries of PPE to support vaccination clinics. 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 financial year as well as this year. This disease burden is part of the new activity “norm” and we will have to focus on simultaneously managing COVID-19 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. The previous return dated 30 November includes a template for estimating COVID-19 costs for 2021/22 to 2025/26. These have been automatically populated based on a set of national assumptions based on our Quarter 2 returns for 2020/21.

3.1.10 These produce estimates as follows:

| Financial year | COVID-19 cost estimates £m |
|---|---|
| 2021/22 | £7.7 |
| 2022/23 | £3.4 |
| 2023/24 | £1.3 |
| 2024/25 | £1.3 |
| 2025/26 | £1.3 |

## 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 15 January and has been referenced for this report. It is not due for submission until 22 January 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 9 months and revised assumptions to end of the year. 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. The return now requires data to be split between health and social work as funding arrangements differ for each.

3.2.3 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 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.

3.2.4 Actual costs are being carefully tracked. Social care providers have been asked to invoice additional COVID-19 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-19 paid for the month of September, 50% for the month of October and 25% for the month of November. Further support beyond December is on a different basis again. Additional support for extended sick pay for social care providers has also been extended. Claims for other additional costs from end of September are restricted to those for infection prevention control, PPE and additional staffing costs.

3.2.5 Direct costs for supplies and equipment are being charged to COVID-19 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-19 approvals through workforce monitoring.

3.2.6 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. The health and social care system will continue to operate on an emergency footing until the end of March 2021.

3.2.7 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. There was also direct funding of £409k for additional GP practices and pharmacies predominantly for opening on the bank holidays which is not included in the tracker.

3.2.8 A summary of all the funding announced and distributed is attached at Appendix 1. All funding is being routed via NHS Highland and announcements to date total £9.097m. A small amount (£57.5k) re Chief Social Work Officer funding has still to be distributed. Looking solely at the allocations from our regular COVID-19 returns, based on the latest return as at 15 January 2021, we have claimed £11.284m and received funding of £9.086m leaving a balance of £2.198m to be funded.

3.2.9 Our estimated costs on the claim as at 15 January 2021 total £11.284m prior to receipt of any funding. This has decreased by £2.583m from the £13.867m previously reported as of 11 December. The current submission covers the following key areas:

| **Cost area** | **£000s** | **comment** |
|---|---|---|
| Additional hospital beds | 126 | Bed purchases |
| Reduction in delayed discharges (17) | 279 | Now tracked actual costs for 17 clients, 10 for care at home packages, 7 care home placements. Decreased by £50k due to changes in care |
| PPE | 236 | Reduced by £132k - as community PPE hubs in place till end of year providing f.o.c. to social care and more being pushed f.o.c. to Health also |
| Estates & facilities | 673 | Includes hospital deep cleans. Additional costs of remobilisation anticipated. Increase of £116k |
| Additional staff overtime | 530 | Decreased by £25k |
| Additional temporary staff | 1,660 | Decreased by £289k as Dec & Nov costs lower |

| | | |
|---|---|---|
| Additional costs for externally provided services | 88 | + £3k |
| Social care sustainability payments | 1,396 | Decreased by £32k |
| Mental Health services | 61 | Counselling services -£27k |
| GP practices + Opticians | 94 | Decreased by £1.042m – mostly all reversed in December |
| Additional prescribing (1%) | 420 | £212k in December – increased by £203k |
| Community hubs (CACs) and screening / testing | 801 | Decreased by £343k re CACs in December |
| Staff accomm, travel, IT & telephony costs | 265 | Supporting home working – decreased by £41k |
| Revenue equipment | 225 | +£20k |
| Loss of income | 807 | Reduced charges to patients of other boards and social work client contributions reflecting lack of activity +£80k |
| CSWO, infection control, Public health capacity, vaccination program | 714 | Increased by £236k |
| Winter planning | 169 | Reduced by £331k – plans affected by capacity |
| Managing backlog of planned care and unmet demand | 13 | Now back at Health Board level – reduced by £40k |
| Underachievement of savings | 2,728 | In line with latest forecasts – decreased by £1.588m |
| Offsetting savings - Health | (0) | Now removed – all used to reduce under achieved savings |
| **Total** | **11,284** | |

3.2.9 The key changes are an decrease in under achieved savings of £1.588m, decrease in GP practices and opticians of £1.042m now funded separately, decrease in costs for CACs of £343k and decrease in winter planning costs of £331k offset slightly by increases in prescribing costs of £203k and vaccination program costs of £236k. Overall a decrease of £2.583m.

3.2.10 We were advised by Christine McLaughlin, DG Health & Social Care, dated 29 September 2020 re funding for under-delivery of savings, that this would be re visited following the quarter 2 submission. We continue to be confident that some funding will be provided for undelivered savings although there is still considerable uncertainty about this. The bulk of our requirement is all in respect of social care, with the amount required for health now reduced to £500k as a result of declaring non-recurring savings driven through reduced activity levels.

3.2.11 Funding in September was allocated based on a combination of actuals (including PPE and social care) and NRAC shares (staffing costs and overtime, equipment, investment in digital, additional beds, and community hubs) and for Q2-4 was based on 70% only to allow some contingency (50%

for social care) . Since then, there has been an adjustment for primary care and mental health which removed the excess funding to us based on NRAC shares, along with further funding for social care sustainability. The December funding included further social care funding for sustainability, staff restrictions and admin. The next funding announcements will be later in January.

3.2.12 We submitted a sensitivity analysis for our expected costs based on our previous revised Q2 submission. This shows:

| All in £000s | Forecast | Best Case | Worst Case |
|---|---|---|---|
| COVID-19 Costs | 13,867 | 12,451 | 14,825 |

3.2.13 The worst case assumes greater need for testing, additional temporary staff spend, and more loss of income due to fewer visitors. Best case assumes offsetting cost reductions continue for rest of year, and greater achievement of savings. In fact we are now looking to have reduced costs below our best case estimate. However changes in COVID-19 infection levels can happen rapidly driving up activity and costs so this is still fluid.

## 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 COVID-19 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 COVID-19 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 "COVID-19 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 15 January 2021. 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 funding summary as at 15 January 2021

Appendix 2 – COVID-19 local mobilisation tracker weekly return as at 15 January 2021