



Older Adult Community and Hospital Savings

NHS Locality 1% Targets Background

In November 2020 following the initial request to managers for savings proposals as there remained a significant gap between proposed savings and the target set for adult services. Following discussions with the Head of Service regarding this it was agreed that a general efficiency target would be set for each of the operational units/localities which would close that gap. In setting these local targets account was taken of the proposals that had already been produced for each area and the target was adjusted to reflect this. The local targets were capped at 1% as this was considered to be a realistic and deliverable in year efficiency target.

General Approach/Identifying Savings

As there were no specific savings projects associated with the 1% target at the start of 2021/22, the PMO project manager established a rolling programme of meetings with the area managers and their management accountants to review the in year budget position, and comparing that to the previous 2 year-end reports to identify recurrent and non recurrent underspends that could be declared against the 1% target. In addition as a result of Covid 19 there were changes in how some services operated which could be directly linked to reductions in operational costs. These were assessed and a judgement made on whether these changes would lead to long or short term reduction in costs. These meetings were repeated every 2-3 months and on each occasion savings were identified and declared. This process will continue up to M11. Most areas have made significant progress towards achieving the 1% target, with several areas having achieved or expected to fully achieve the target by year end.

2022/23

As with the approach taken in 21/22 it is expected that the majority of the local 1% 2022/23 savings will be identified in year rather than in advance. However it is expected that managers will target some specific parts of their budgets such as:

- Patient Travel: As a result of increased use of “near me” and phone consultations over the last 2 years there has been reduction in patient travel to clinics in NHS GG&C.
- Budget Realignment: This is a finance led initiative whereby under spending budgets are reviewed to identify the actual costs of delivering that part of the service and compared to the allocated budget. This can generate savings if staff turnover has resulted in staff on lower points in the pay scale replacing more experience higher cost staff.
- Income Targets: This involves matching income targets to actual income which generally increases each year while income targets are rolled over from year to year, resulting in an over achievement of the income target.
- Supplies Budgets: Improvements in the ordering and stock management can generate efficiencies leading to savings

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- Staff Travel: There are a number of factors linked to staff travel costs including the change to electric vehicles and the associated fuel cost saving; and Covid related changes in how some services are delivered (i.e. increased use of near me and phone contact)
- Local staffing/service reviews: These will vary depending on the locality but in general increasing use of tech should result in reductions in admin requirements and free up clinical staff time.

The majority of these savings will be identified through the budget review process established in 2021/22 and should be little or no impact on actual service delivery.

A working group has been established and at the time of writing, £230k of the saving has been identified and is attributed to the headings above. There are no identified impacts on service delivery or service users from this element of the saving. Further work is required to identify projects which will contribute to the remaining £240k (reduced target has been set at £470k).

Local Authority savings

Background

Throughout 2021-2022 the shape of a number of community services changed due to the impact and aftermath of Covid 19. There have been changes to the number of people being cared for in care homes, and there have been challenges to staff recruitment and retention in care at home services. Savings identified previously were achieved and the historic element of these savings has now been completed, giving a clear way forward.

Proposed savings 2022-23 – Total amount - £583,000

In 2020 the occupancy rate within Argyll and Bute care homes for older adults was around 92%. The occupancy rates dropped dramatically in 2021 at the peak of the Covid 19 pandemic to around 81% due to people being reluctant to move to care homes.

Since 2021 there have been periods where care homes have had to stop admissions due to either residents or staff testing positive for Covid 19 and this has resulted in fewer bed days being occupied. This resulted in an underspend in the care home allocated budget and this trend has continued to 2022 where the occupancy rate is around 85%

Some of the occupancy has been taken up through interim placements where people are unable to access care packages at home but are fit for hospital discharge. The funding for this care is allocated from additional resource from Scottish Government.

It is therefore proposed that £390,000 is removed from the care home budget allocation as a saving in 2022-23 and £193,000 for care home contract uplift is allocated from the additional funding, giving a total saving of £583,000.

These are budget adjustments only and will have no impact on existing care home residents, service capacity or quality.