

**Integration Joint Board**

**Agenda item:**

**Date of Meeting: 27 May 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 weekly 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. In the interim, the Scottish Government has issued a first tranche of funding on 12 May 2020 of £50m nationally on an NRAC/GAE allocation basis and A&B HSCP is to receive £903k as its share. This is "particularly to support immediate challenges in the social care sector".

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) will be funded through NHS Highland directly in 2019/20, and then offset in 2020/21 where there is a reduction in costs expected in the first quarter.

## **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 IJB has a separate report on the agenda which provides a detailed review of the HSCP's status of mobilisation in response to Cov-19 pandemic.
- 3.1.2 Our current best estimate is that we are around week 7 of the pandemic in Scotland, although different areas of Scotland are likely to be in different weeks. The peak NHS demand in Argyll and Bute is now projected to occur at the end of May. We are now working with an assumption of a 9% infection rate, well reduced from the worst case 80% infection rate. This would mean 21 beds required for critical care for COVID-19 in NHSGG&C and 42 other hospital beds required for COVID-19 in Argyll and Bute and 14 in NHSGG&C. As such no net additional beds are estimated to be required. This is a significant reduction from early estimates as a result of the effective social distancing now in place. However if and when 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
- 3.1.3 Community Assessment Centres (CACs) have been established to maximise the numbers of symptomatic people who can be cared for in the community, reserving our hospitals for those with the most serious illness, and minimise the exposure of patients using GP practices to COVID-19. There are eight CACs in Argyll and Bute, 7 of which operate 24/7 and Helensburgh day time hours Monday to Friday. In addition, they will be responsible for distribution of testing kits to residential care and community settings, sending tests for analysis and management of the results.
- 3.1.4 There are some 340 people in care homes in Argyll and Bute and over 1,100 receiving home care. In addition there are now over 2,800 people who are in the shielded category. Currently there are 3 care homes closed to new admissions as a result of Covid outbreaks and two further homes are under surveillance awaiting test results. This picture can change quickly. Early experience of caring for Covid19 patients in the community is beginning to emerge. Local pathways considering the presentation and flow of people who may require palliative and end of life care as a consequence of COVID-19 infection should be agreed
- 3.1.5 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. The report sets out a number of considerations on how this could be managed going forward.

#### **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 weekly basis, submitted to Scottish

Government through 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 rates rising from 15% in March to a peak of 25% in May and June and reducing gradually to 0% in March 2021. Similarly there was a predetermined phasing for costs associated with additional beds from a peak of 100% in April to June down to 0% in March 2021. The most recent return allows for these parameters to be varied.
- 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, although we have 61 designated as Covid beds for the first quarter, reducing down to 0 by March 2021. 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. These cost estimates are updated on a weekly basis, and are still subject to considerable uncertainties.
- 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) will be 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 nationally are looking for funding of vacant beds due to closures, and this is being discussed nationally before the detail is agreed. 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 will not begin to be seen for a few weeks yet.
- 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, it is planned to conduct some peer review and benchmarking but the arrangements for this are not yet final.

- 3.2.9 Our estimated costs on the plan as at 28 April 2020 total £17.4m covering the following key areas:

<b>Cost area</b>	<b>£000s</b>
Additional hospital beds	500
Reduction in delayed discharges (17)	816
PPE	675
Deep cleans	157
Estates & facilities	270
Additional staff overtime	1,129
Additional temporary staff	1,164
Scottish Living Wage national implementation	141
Additional costs for externally provided services	3,453
Mental Health services	900
GP practices	120
Additional prescribing (1%)	192
Community hubs (CACs)	1,200
Revenue equipment (beds, screens etc)	318
IT costs	100
Additional hospital drugs	500
Underachievement of savings	5,800
<b>Total</b>	<b>17,437</b>

- 3.2.10 On 12 May, the Cabinet Secretary for Health & Sport wrote to all Integration Authority Chief Officers to confirm initial funding of £50m particularly to support immediate challenges in the social care sector whilst further work is ongoing to fully understand the financial implications of responding to Covid-19. This initial funding is being allocated via NHS Boards. The allocation for A&B HSCP is £903k. This is described as a “share of funding for community care (based on NRAC/GAE funding formula)”. Our share is just over 1.8%, a little below our NRAC share of 1.84%.

Cosla has been engaging with Chief Financial Officers to agree a set of principles for supporting the financial sustainability of care home providers who particularly affected by deaths and vacant beds. This is still to be agreed nationally with Scottish Government. In the interim, we have agreed to support local care homes based on the normal occupancy levels which we would be funding, at the normal NCHC (National Care Home Contract) and FPN (Free personal & nursing care) rates for self funders.

#### **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. It is likely that the Strategic Plan will require revision to recognise the new normal of working with Covid-19 in the future.

## **6. GOVERNANCE IMPLICATIONS**

- 6.1 Financial Impact – The additional costs for responding to Covid-19 are estimated and set out in Appendix 2. 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 2 months and we now have robust plans for an emergency response to Covid19 outbreaks. 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. The report discusses the issues in how to resume routine, comprehensive health and social care whilst simultaneously managing Covid19. Work on planning for this is now underway but as yet we do not know transition rules/time for the easing of lockdown and this is a major uncertainty in planning for the future.

12.3 The appendix provides a snapshot of the costing for the Covid-19 mobilisation as at 28 April 2020. This will be updated regularly as assumptions are refined and actual costs are incurred.

### 13. DIRECTIONS

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

### REPORT AUTHOR AND CONTACT

Judy Orr, Head of Finance & Transformation [Judy.orr@argyll-bute.gov.uk](mailto:Judy.orr@argyll-bute.gov.uk)

### APPENDICES:

Appendix 1 – Covid-19 local mobilisation tracker weekly return as at 28 April 2020