

**SOCIAL CARE
3 YEAR EXECUTIVE FINANCIAL RECOVERY PLAN
SUMMARY: PRESSURES**

APPENDIX 1

| | <u>Expenditure Pressure & Impact Analysis</u> | Expenditure Pressures | | |
|----------|---|------------------------------|-------------------------|-------------------------|
| | | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
| 1 | 2019/20 Financial Plan Shortfall The 2019/20 Financial Plan approved by the IJB identified a budget deficit in relation to social care of £2.367m. This was largely driven by a £0.8m budget deduction in respect of income in 2018/19, to be delivered from a review of contributions policy by PKC, but not progressed. This was offset by PKC non-recurringly in year but rolled forward as a budget pressure to 2019/20. In addition during 2018/19, a significant and unplanned increase in complex care expenditure was incurred of approx. £1.7m required to be provided for in the 2019/20 Financial Plan. | 2,367 | 0 | 0 |
| 2 | Increase in Staff Pay Costs Additional pay increase cost based on 3% pay increase to PKC employed staff for all three years to 2022/23, as per the PKC updated assumptions. | 587 | 600 | 600 |
| 3 | Care Home Contract Rates Pressure based on assumed 3.55% increase for both Residential and Nursing Placements weekly rate. The rate for 2019/20 had been increased by 3.65% for Nursing Care and 3.4% for Residential Care. The uplift to the care home contract is annually negotiated on a national basis however if agreement cannot be reached this year, there is a risk that negotiation may revert to each HSCP. | 970 | 1,026 | 1,073 |
| 4 | Living Wage Increase For 2020/21 the living wage rate is expected to be £9.30 per hour payable from 1 April 2020. This represents an increase of 3.3% compared to 2019/20. As part of the national commitment to fair working practices, all contracts for direct social care services require to be uplifted each year to take account of the agreed national increase to the living wage. This includes contracts with Care at Home providers (including sleepovers) and other direct social care service providers. This pressure includes the increase in the living wage rate to £9.30 per hour plus an increase to employer on costs. | 578 | 544 | 567 |

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| 5 | Free Personal Care Inflation Increase This is an assumed inflationary increase for free personal care (1.6% for Nursing FPC and 1.7% for Residential FPC). This is provided to self-funding clients in order to deliver the shared Scottish Government/COSLA commitments on free personal care. Payments are updated annually and the 2019/20 fees are £177 for residential care, £257 for nursing care. | 82 | 86 | 90 |
| 6 | Carers Act – Additional Responsibilities This pressure reflects the anticipated additional costs of the continued roll out of the Carers Act and the next steps in its implementation. The level of pressure is based on the Scottish Government indicative additional estimated costs. | 250 | 0 | 0 |
| 7 | Older People Care Home Placements – Demand Pressure During 2019/20, demand for care home placements has been significantly higher than anticipated resulting in a forecast overspend of £0.7m. The pressure for 2020/21 therefore includes the budget gap predicted for 2019/20. In addition the expected growth in 75+ population in Perth & Kinross is anticipated to further increase demand for Care Home Placements over all 3 years. This also reflects that Perth & Kinross currently has the 9 th highest 75+ population in Scotland. This pressure is offset by Saving No 6 below. | 909 | 272 | 272 |
| 8 | Care at Home – Demand Pressure The expected growth in 75+ population is expected to increase demand for Care at Home over all of the next 3 years. This pressure is offset by Savings No 4 and 8 below. | 156 | 340 | 417 |
| 9 | OT Adaptation and Equipment – Demand Pressure The expected growth in 75+ population is expected to directly increase demand for OT adaptations and equipment. | 50 | 50 | 50 |

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| 10 | Learning Disabilities Transitions Clients transferring from Education & Children Services Based on information collated from the transitions team the cost of a number of young people with a Learning Disability and/or Autism who have complex support requirements who will transition from Education & Children's Services to Adult Social Care has been calculated. This pressure relates to both the part, and full year, costs of care packages for clients known to be moving into adult services over the coming three years. | 656 | 599 | 548 |
| 11 | Learning Disability & Mental Health - Increased Demand Social Care The pressure reflects the full year effect of new clients and increase in cost of existing clients during 2019/20. It is difficult to predict need in future years and therefore Years 2 and 3 are based on the Year 1 pressure. | 494 | 494 | 494 |
| 12 | Full year cost of priority investment in Enhanced Community Support In 2019/20 the IJB approved essential investment in the roll out of Enhanced Community Support which will pro-actively identify frail older people at risk of deterioration and support them to stay at home supported by an integrated team of core professionals. The investment was phased over 2 years and this is the 2 nd year cost of social care professionals within the team. This essential service development is fundamental to delivering Saving No 6 as part of an overall strategy to reduce reliance on bed based services through expansion of community support. | 99 | 0 | 0 |
| 13 | Investment in CAPA (Care about Physical Activity) Exercise can improve physical performance and reduce frailty and falls. The length of stay in care homes has increased as a result of our investment in the CAPA programme. The partnership now wish to invest further to focus the offer to people in their own homes or in intermediate care, to seek to avoid care home and hospital admission. | 100 | 0 | 0 |
| | TOTAL PRESSURES | 7,298 | 4,011 | 4,111 |

**HEALTH
3 YEAR FINANCIAL RECOVERY PLAN
EXECUTIVE SUMMARY: PRESSURES**

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| | | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 |
| 1 | <p>2019/20 Recurring Budget Deficit</p> <p>The 2019/20 Financial Plan approved by the IJB identified an overall budget deficit in relation to health services devolved by NHS Tayside of £1.801m. This is made up of three elements:-</p> <ul style="list-style-type: none"> A budget deficit of £0.475m was identified within the 2019/20 Core Health Financial Plan resulting from complex care package health contribution costs which were previously picked up by NHS Tayside central reserves until 2018/19 but for which responsibility has passed to PKHSCP in 2019/20 without the associated budget transfer. A budget deficit of £0.752m recurring gap within the Prescribing Financial Plan. The formal due diligence exercise undertaken at inception of PKIJB in 2016/17 identified a very significant shortfall in the budget transferring from NHS Tayside to meet prescribing costs. Whilst PKHSCP have made very significant progress in bringing costs in line with budget, a £0.752m gap remains. PKHSCP hosts Inpatient Mental Health Services on behalf of all 3 Tayside IJB's. The due diligence exercise undertaken prior to inception of the IJB in 2016/17 identified a very significant shortfall in the budget transferring to meet costs. Whilst there has been redesign of services, medical locum costs have continued to rise and the significant gap between expenditure and budget remains now wholly driven by the medical staffing recruitment issues. The total gap in the 2019/20 Financial Plan for IPMH was £1.713m, the PKIJBs share of this is £0.574m. | 1,801 | 0 | 0 |
| 2 | <p>Financial Plan Savings not achievable</p> <p>Total Savings plans of £2.630m were approved as part of the 2019/20 Financial Plan for Core Health & Social Care Services. Despite significant efforts £0.142m (5.4%) will not be delivered recurrently. This includes a shortfall on savings delivered on the integration of Occupational Therapy and a shortfall in savings from integration of management and administration which has been met on a non-recurring basis only. Savings on integration of management and administration are still anticipated however require to be retained to invest in PKHSCP senior management capacity.</p> | 142 | 0 | 0 |

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| 3 | Increase in 2019/20 Employer Pension Contributions The NHS Pension Scheme is financed by payments from the employer and current members. The employer contribution rate is set through a scheme valuation which is undertaken every four years. The most recent 2016 scheme valuation identified the need to increase the employer contribution from 14.3% to 20.6% from 1 st April 2019. NHS Tayside completed its calculation of the recurring cost implications in September 2019 and PKIJB's forecast now includes an unanticipated cost in relation to employer pension contributions of £0.459m for which no additional funding has been provided by NHS Tayside in 2019/20. This estimation of the recurring increase in pay costs was not available for inclusion in the indicative financial plan for 2020/21, and must now be built in. | 459 | 0 | 0 |
| 4 | Uplift to Staff Pay Costs Additional pay costs from pay increase to NHS Tayside employed staff for all 3 years. | 1,190 | 1,253 | 1,084 |
| 5 | Increase in pay costs resulting from NHS Scotland Agenda for Change Increment Re-Structure To help NHS Scotland attract and recruit new staff, the 3 Year Pay Deal for 2018/19 to 2020/21 for Agenda for Change included the restructure of existing pay bands with the number of pay points being significantly reduced by 1 st April 2020. The restructuring of pay points gives rise to a significant increase in pay costs over 2020/21 and 2022/23. The estimation of costs was not available for inclusion in the indicative 2020/21 and 2021/22 Financial Plan. Estimations have now been undertaken by NHS Tayside and are now included. | 219 | 327 | 0 |
| 6 | Regarding Band 2/3 Inpatient Health Care Support Workers & AHP Service Leads Across NHS Tayside during 2019/20, a small group of Band 2 Staff had a historic regarding claim upheld meaning they moved to Band 3. It is assumed that all Band 2 inpatient posts will follow and the recurring increase in costs is now included in the 2020/21 Financial Plan. | 163 | 0 | 0 |
| 7 | Incremental Drift Community Hospitals The budget for pay within Blairgowrie and Crieff Community Hospitals is insufficient to meet the current staff pay costs. The pay budget has been based on an average scale point increment for each pay banding, however due to their tenure a significant amount of staff are on an increment higher than that budgeted for. | 100 | 0 | 0 |

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| 8 | Occupational Therapy Equipment Investment in Occupational Therapy equipment and adaptations was approved as part of the 2019/20 Financial Plan. This investment is in line with Partnership intentions to keep people at home for longer when clinically safe to do so (84% of older people in the community are sustained at home by use of aids and adaptations, hoists and pressure relieving equipment). | 40 | 40 | 40 |
| 9 | Learning Disability and Mental Health: Increased Demand Health Services This pressure reflects the full year effect of new clients and increase in cost of existing clients during 2019/20. It is difficult to predict need in future years and therefore Years 2 and 3 are based on Year 1 pressure. This is in addition to the pressure transferred by NHS Tayside in 2019/20 set out at Pressure 1 above. This pressure is offset by Social Care Saving 7 - Transformation of Services for People with Complex Care Needs. | 383 | 383 | 383 |
| 10 | Community Mental Health Services: Antipsychotic and Substance Misuse Medicines Expenditure on medicines prescribed to patients under the care of Adult Community Mental Health Teams has increased over the last four years. This increase is due both to the cost of medicines and the number of patients receiving medicines. In particular the number of patients receiving Opiate Replacement Therapy (ORT) has increased significantly in line with the National Clinical Strategy. This stepped increase in expenditure now requires to be recognised in the Financial Plan. | 114 | 0 | 0 |
| 11 | Prescribing Item Growth Year on year, the increasing elderly population in P&K drives an increase in the number of items being dispensed by GP's. For each year a 1.7% item growth increase has been projected. | 455 | 400 | 400 |
| 12 | Prescribing Price Growth The Prescribing Management Unit have advised expected changes to prices would incur a 1% pressure for 2020/21. Further work is underway across Tayside to establish likely price growth in Years 2 and 3. | 268 | 0 | 0 |

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| 13 | Health and Safety Regulations Community Hospitals NHS Tayside is responsible for ensuring Evacuation Procedures work independently of the emergency services. Following practical walkthrough evacuation exercises and subsequent staff discussion about the numbers, vulnerabilities and associated evacuation issues for frail older people in hospital, the NHS Tayside Fire Safety Adviser and Fire Risk Assessor has made a recommendation to ensure that fire safety is not compromised in community hospitals by ensuring the availability of sufficient staff to support safe evacuation. | 85 | 0 | 0 |
| 14 | Full Year cost of priority investment in Enhanced Community Support/Respiratory Service/Intermediate Care Beds In 2019/20 the IJB approved essential investment in the roll out of Enhanced Community Support and Respiratory Community Support which will pro-actively identify frail older people at risk of deterioration and support them to stay at home for longer. The Older People and Unscheduled Care priorities also included the realignment of Rehabilitation Beds. This investment was phased over 2 years and this is the 2 nd year of the health professionals within the integrated teams. This essential service development is fundamental to delivering savings number 4 and 5 Health Savings and Savings Numbers 6 and 8 Social Care savings as part of an overall Invest to Save Strategy. | 614 | 0 | 0 |
| 15 | Primary Care Resilience Team Following national discussions around the importance of establishing robust approaches to GP Practice resilience, it is proposed to establish a Primary Care Resilience Team in PKHSCP which will have GP, Pharmacist and other capacity aimed at providing short term support to GP Practices with workforce issues. This is an essential 'Invest To Save' proposal which will be critical in minimising the risk of P&K GP Practices handing back their contract to NHS Tayside (2C Practices) and resulting in considerable additional financial costs. | 143 | 48 | 0 |
| | TOTAL PRESSURES | 6,176 | 2,451 | 1,907 |