



## **PERTH AND KINROSS INTEGRATION JOINT BOARD**

Council Building  
2 High Street  
Perth  
PH1 5PH

26 March 2020

Due to the current restrictions in place as part of Coronavirus (COVID-19), it is not possible to hold a physical special meeting of the Board as was proposed for **Tuesday 31 March 2020 at 2.00pm** to consider the business enclosed.

Following discussions with the Chair and Vice-Chair, all members are invited to submit any written comments on the report that has been issued to [committee@pkc.gov.uk](mailto:committee@pkc.gov.uk). Voting members are asked to provide a written response to confirm that they agree with the recommendations in the report.

If you have any queries please contact Scott Hendry at [Committee@pkc.gov.uk](mailto:Committee@pkc.gov.uk).

**Gordon Paterson**  
**Chief Officer/Director – Integrated Health & Social Care**

### **Voting Members**

Councillor Eric Drysdale, Perth and Kinross Council (Chair)  
Councillor John Duff, Perth and Kinross Council  
Councillor Xander McDade, Perth and Kinross Council  
Councillor Callum Purves, Perth and Kinross Council  
Bob Benson, Tayside NHS Board (Vice-Chair)  
Peter Drury, Tayside NHS Board  
Ronnie Erskine, Tayside NHS Board  
Pat Kilpatrick, Tayside NHS Board

### **Non-Voting Members**

Gordon Paterson, Chief Officer, Perth and Kinross Integration Joint Board  
Jacquie Pepper, Chief Social Work Officer, Perth and Kinross Council  
Jane Smith, Chief Financial Officer, Perth and Kinross Integration Joint Board  
Dr Douglas Lowden, NHS Tayside  
Sarah Dickie, NHS Tayside

### **Stakeholder Members**

Bernie Campbell, Carer Public Partner  
Allan Drummond, Staff Representative, NHS Tayside  
Stuart Hope, Staff Representative, Perth and Kinross Council  
Sandy Watts, Third Sector Forum  
Linda Lennie, Service User Public Partner  
Lynn Blair, Scottish Care



**Perth and Kinross Integration Joint Board**

**AGENDA**

- |          |   |               |
|----------|---|---------------|
| <b>1</b> | <b>BUDGET 2020/21, 2021/22 &amp; 2022/23</b><br>Report by Chief Financial Officer (copy herewith G/20/47) | <b>5 - 36</b> |
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## **PERTH & KINROSS INTEGRATION JOINT BOARD**

**31 MARCH 2020**

**BUDGET 2020/21, 2021/22 & 2022/23**

**Report by Chief Financial Officer (Report No. G/20/47)**

### **PURPOSE OF REPORT**

This report recommends the setting of the budget for 2020/21 and setting the provisional budget for 2021/22 and 2022/23 as set out in the Integration Joint Board 3 Year Financial Recovery Plan.

## **1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board:-

- 1.1 Approve the Revenue Budget for 2020/21 and the indicative Revenue Budget for 2021/22 and 2022/23 as set out in the 3 Year Financial Recovery Plan.
- 1.2 Note the further work being undertaken to determine the further redesign required to achieve recurring financial balance over the 3 year period.
- 1.3 Ask the Chief Officer to issue the necessary Directions to NHS Tayside and Perth & Kinross Council.
- 1.4 Note that the proposed budget represents 'Business as usual'. However the COVID19 Contingency measures now required across PKHSCP Services will incur significant additional unplanned expenditure over and above the proposed budget and a funding is being sought via COVID19 Mobilisation Plans being submitted to the Scottish Government in line with national requirements.

## **2. BACKGROUND**

- 2.1 On 17 December 2019, the Integration Joint Board (IJB) was provided with an update on the development of a 3 Year Financial Recovery Plan. This formed the basis of early engagement with both partners to agree the recurring and in-year solutions, necessary to deliver future financial balance.

- 2.2 The update set out the significant and unavoidable cost and demand pressures and essential service developments facing the IJB over the next 3 years, over and above the existing £4.1m structural deficit.
- 2.3 The update also set out the particular demographic growth challenge facing Perth & Kinross. The over 75 population has grown by 47% over the last 10 years, significantly higher than the Scottish average. Further growth of 33% is anticipated over the next 10 years, directly impacting on demand for health and social care services. In parallel, demand for Learning Disability/Autism and Mental Health Services also continues to grow with further significant provision required both for transitions from Education and Children's Services and from the wider adult client group.
- 2.4 The paper also set out the transformative approach being taken by PKIJB to deliver sustainable future services. For older people, a £2.5m re-investment plan is being implemented which aims to significantly improve flow, capacity and shift the balance of care. Phase 1 investment has already led to a significant improvement in delayed discharge performance compared to the rest of Scotland. Phase 2 is aimed at significantly enhanced community services to keep people at home for longer, with significant future savings from reduced reliance on bed-based services now included in the 3 Year Financial Recovery Plan.

### **3. 3 YEAR FINANCIAL RECOVERY PLAN**

- 3.1 Over the last 3 months further work has been undertaken to finalise the pressures and essential service developments now included in the 3 Year Financial Recovery Plan. Appendix 1 sets these out in detail.
- 3.2 Appendix 2 sets the transformation and efficiency savings plans identified for 2020/21, 2021/22 and 2022/23. Appendix 2 of this report provides further details of this programme of transformation, building on successful delivery of a significant savings programme over the last 3 years.
- 3.3 The IJB Budget Review Group has provided a key scrutiny and review role and is able to recommend that all pressures and savings proposed be approved by the IJB.
- 3.4 An overall gap between pressures and savings of £9.5m for 2020/21 has formed the basis for budget discussions with both Perth & Kinross Council and NHS Tayside, as representing the required increase in budget to deliver the PKIJB Strategic Commissioning Plan. This is summarised in Table 1 below and includes the £4.1m structural deficit identified in 2019/20. Note that whilst the 3 Year Financial Recovery Plan has been developed on an integrated basis across health and social care services, it has been necessary to present the position in relation to each of the devolved budgets, due to the financial risk sharing arrangements that remain in place.

**Table 1: 2020/21 Budget Requisition**

	<b>Health</b>	<b>Social Care</b>	<b>Total</b>
	£m	£m	£m
Recurring Budget 2019/20	141.6	52.4	194.0
Financial Recovery Plan			
Structural Deficit Appendix 1	1.8	2.3	4.1
Pressures Appendix 1	4.4	5.0	9.4
Savings Appendix 2	(2.3)	(1.7)	(4.0)
Net Gap	<b>3.9</b>	<b>5.6</b>	<b>9.5</b>
Resource Transfer Uplift	0.5	(0.5)	
<b>Requisition 2020/21</b>	<b>146.0</b>	<b>57.5</b>	<b>203.5</b>

#### **4. 2020/21 BUDGET SETTLEMENT FROM PERTH & KINROSS COUNCIL**

- 4.1 For 2020/21, Perth & Kinross Council received a 0.5% cash increase on its core budget. The real terms reduction after taking into account the impact of inflation and growth on service need is estimated between 1.5% and 2%.
- 4.2 The total funding package included ring-fenced allocations for a number of areas including Early Learning and Childcare and Teachers' Pay and Pensions. For Health & Social Care the Scottish Government have provided an additional £100m of earmarked funding. This includes £4m for school counselling. The net £96m allocation includes £42.8m towards the cost of the living wage, continued implementation of the Carer's Act 2016 and the uplift to the Free Personal Care Allowance. Cost pressures for these are included in the 3 Year Financial Recovery Plan.
- 4.3 The Draft PKIJB 3 Year Financial Recovery has supported positive discussions with PKC as part of their budget setting process. Table 2 below summarises the proposed recurring budget offer from Perth & Kinross Council for 2020/21 to Perth & Kinross IJB. Overall Perth & Kinross Council's share of Scottish Government funding for Adult Social Care is £3.0m and this is being passed on in full to Perth & Kinross IJB.

**Table 2 Perth & Kinross Council Budget Offer 2020/21**

	<b>IJB Recurring Budget Requisition from PKC</b>	<b>PKC Recurring Budget Offer</b>	<b>Difference</b>
	£m	£m	£m
Recurring Budget 2019/20	52.4	52.4	0
SG Funding (£96m)	3.0	3.0	0
Additional PKC Budget	2.6	2.6	0
<b>Total Budget Required</b>	<b>58.0</b>	<b>58.0</b>	<b>0</b>
Resource Transfer uplift from NHST	(0.5)	(0.5)	0
<b>Total Budget Requisition</b>	<b>57.5</b>	<b>57.5</b>	<b>0</b>

- 4.4 Over and above the £3m pass through of Scottish Government Funding, £2.6m of additional recurring budget is included in the Perth & Kinross Council Budget Offer for 2020/21. Overall the £5.6m budget increase represents a 10.7% uplift to the budget. This is an extremely positive settlement and fully addresses the underlying structural deficit within Social Care, enabling a recurring financial balance for Social Care services to be set out for 2020/21. This materially supports the future financial sustainability of Perth & Kinross IJB and delivery of its Strategic Commissioning Plan priorities.

## 5. 2020/21 BUDGET SETTLEMENT FROM NHS TAYSIDE

- 5.1 The Draft PKIJB 3 Year Financial Recovery Plan has supported a programme of meetings with the NHS Tayside Director of Finance over several months.
- 5.2 2020/21 NHS Tayside received a 3% uplift on its base budget. Table 3 below summarises the indicative recurring budget offer from NHS Tayside for 2020/21 to Perth & Kinross IJB.

**Table 3 NHS Tayside Anticipated Funding Position 2020/21**

	IJB Recurring Budget Requisition from NHST	NHST Indicative Recurring Budget Offer	Difference
	£m	£m	£m
Recurring Budget 2019/20	141.6	141.6	
Share of National Uplift	2.1	2.1	
Non recurring Bridging Funding	1.8	TBC	
Total Budget Requisition	145.5	TBC	
Resource Transfer uplift for social care	0.5	0.5	
Total Budget Required	146.0	TBC	TBC

- 5.3 While NHS Tayside have not yet arrived at the point of making a formal offer, the Director of Finance has confirmed that NHST will pass the £2.1m fair share of national uplift funding, in line with planning assumptions.
- 5.4 As part of formal budget setting discussions with the Director of Finance, over and above its share of national uplift, additional non-recurring bridging funds of £1.8m have been requested from NHST, with a commitment to pay this back by Year 3 based on the planned surpluses in each of these years, as summarised below. At this stage formal confirmation of the availability of non-recurring bridging finance has not been received from NHST.

**Table 4 NHST 3 Year Financial Recovery Bridging Request**

Bridging required Year 1	£1.8m
Pay back in Year 2	£0.4m
Pay back in Year 3	£1.4m
Net shortfall in budget after 3 years	Nil



- 5.5 The ability to deliver financial balance over the 3 Year period reflects PKIJB strategic intention to shift the balance of care across Older Peoples Services, and through an invest-to-save strategy deliver significant savings in Years 2 and 3 of the plan. In particular, £0.5m of savings are anticipated in Year 3 from a transfer from large hospital set aside budget, based on joint working with NHS Tayside Acute Division to reduce the long term need for acute medical beds. In addition, a £0.5m cost reduction (PKIJB share of £1.5m overall cost reduction ) is anticipated in Year 3 through the delivery via the Tayside Mental Health Alliance of safe, sustainable and affordable Mental Health Services, across pathways of care that fully remove the need for reliance on medical locums.

## 6. IMPLICATIONS FOR 2020/21 BUDGET

- 6.1 The 2020/21 IJB Financial Recovery Plan has been adjusted to reflect the implications of the 2020/21 budget offer from both partner bodies.

**Table 5 Summary 2020/21 Budget**

	<b>PKC</b>	<b>NHST</b>	<b>Total</b>
	£m	£m	£m
Budget Required	57.5	146.0	203.5
Budget Proposed	(57.5)	(144.2)	(201.7)
Further budget under discussion	0	(1.8)	(1.8)
Difference	0	0	0

- 6.2 Ongoing discussions with the NHST Director of Finance have not yet confirmed whether the NHST budget offer, when received, will include £1.8m of bridging finance required to deliver break-even in 2020/21.
- 6.3 The NHS Tayside Draft Financial Plan for 2020/21 includes £3m of recurring budget not yet allocated for 'Shifting the Balance of Care'. Further clarity has been requested around the process for prioritisation of this recurring funding. At this stage the 3 year Financial Recovery Plan makes no assumptions in this respect however Perth & Kinross IJB would expect to receive approximately £1m proportionate share.

## 7. IMPLICATIONS OF COVID 19 CONTINGENCY ARRANGEMENTS

- 7.1 The contingency plans required to respond to the COVID19 outbreak will have significant cost implications for NHS Boards, Local Authorities and Integration Joint Boards. These will be over and above the 'Business as Usual' position set out in the 2020/21 Budget. Each IJB has been required to provide an early estimate of projected costs for submission to the Scottish Government as part of a governance process that will ultimately support the release of additional SG Funding.
- 7.2 PKHSCP have submitted draft costs which are currently estimated at approximately £5m across health and social care services. This is based on a number of assumptions which are under constant review both locally and as part of national discussions with the Scottish Government.

- 7.3 The Cabinet Secretary issued a letter on 24 March 2020 in relation to COVID19 and the health and social care cost implications. This confirms that estimated IJB's additional health and social care costs are expected to be included within mobilisation plans being submitted to the Scottish Government via NHS Boards and reasonable funding requirements will be supported.

## **8. PROVISIONAL BUDGETS FOR 2021/22 & 2022/23**

- 8.1 The development of the PKIJB 3 Year Financial Recovery Plan provides the basis to set indicative budget for 2021/22 and 2022/23. The same level of rigour and scrutiny has been applied across the 3 year planning period and the investment/ pressures and disinvestment/savings have been robustly scrutinised through the IJB BRG process.
- 8.2 For PKC, the budget assumed to be available for 2021/22 and 2022/23 for Health & Social Care is roll forward of the 2020/21 budget plus and additional £1.8m of Scottish Government Social Care Allocation each year. In addition, the transfer of uplift from NHS Tayside in respect of Resource Transfer Budgets is assumed in both years.
- 8.3 For NHST, the budget available for 2021/22 and 2022/23 for Health & Social Care assumes that PKIJB will continue to receive a fair share of SG national uplift. This is expected to be 3% resulting in a £2.1m budget increase in 2021/22 a £2.2m budget increase in 2022/23.
- 8.4 The 3 Year Financial Plan has been prepared based on the information currently available both in terms of budget to be made available and anticipated pressures. The analysis reflects the judgement of PKHSCP Officers and has been reviewed by the Executive Management Team and the IJB BRG. The assumptions will require to be revised in due course as part of ongoing monitoring and based on most recent information.
- 8.5 Appendix 1 and Appendix 2 provide full details of the pressures/investment proposed and the savings disinvestment plans over the 3 Year period.
- 8.6 For Social Care Services, a balanced position is presented for 2021/22 based on the funding assumptions, pressures and savings identified. However, a gap of £1.5m is presented in Year 3. Further work is underway through PKHSCP Executive Management Team to identify the transformation and service redesign across the full health and social care pathways of care that will ensure that this gap can be closed.
- 8.7 For Health Services, based on funding assumptions, pressures and savings identified, a surplus is anticipated in 2021/22 and 2022/23. This allows recurring financial balance to be delivered over the 3 Year Period and non-recurring pay back to NHST of 2020/21 bridging finance.
- 8.8 The IJB are asked to approve the provisional budgets for 2021/22 and 2022/23. Approval at this stage will ensure implementation of transformation proposals can begin now to maximise savings delivery over the 3 Year planning period.

## 9. CONCLUSION

- 9.1 PKHSCP is committed to medium term financial planning and as such has prepared a Budget for 2020/21 and indicative Budget for 2021/22 and 2022/23 in line with its 3 Year Financial Recovery Plan.
- 9.2 For 2020/21, the detailed determination of both pressures/investment and savings/disinvestment has supported a detailed budget requisition, used to support robust budget discussions with both Perth & Kinross Council and NHS Tayside as part of their budget processes, to secure the additional funding required to deliver services in line with strategic objectives.
- 9.3 The budget offer received from PKC is fully in line with the budget requested. This is an extremely positive settlement which enables recurring financial balance for Social Care services to be set out for 2020/21 and fully supports the future financial sustainability of Perth & Kinross IJB and delivery of its Strategic Commissioning Plan priorities.
- 9.4 Discussions with the NHS Tayside Director of Finance are ongoing regarding the gap in the 2020/21 Financial Plan with a formal request having been made for non-recurring bridging finance, which will be paid back by the end of Year 3. . In addition further information has been requested from NHS Tayside on the process for fair allocations of £3m recurring budget set aside for 'Shifting the Balance of Care'.
- 9.5 Overall a gap remains in relation to Social Care Services in Years 2 and 3 and work is now underway with the Executive Management Team to determine at the earliest possible stage the further plans that will require to be brought forward.
- 9.6 The 2020/21 Budget Proposed is based on 'Business as Usual. The COVID19 Contingency Arrangements being put in place have significant cost implications over and above this. Initial estimates have been submitted to the SG and these will be kept under ongoing review locally and with the Scottish Government as part of exceptional financial governance arrangements that will support release of additional funding.

## APPENDICES

1. 3 Year Executive Summary: Pressures
2. 3 Year Executive Summary: Savings
3. 3 Year Financial Recovery Plan/3 Year Budget

### Author(s)

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**NOTE:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.



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

**APPENDIX 1**

	<b><u>Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Expenditure Pressures</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>1</b>	<b>2019/20 Financial Plan Shortfall</b>  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
<b>2</b>	<b>Increase in Staff Pay Costs</b>  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
<b>3</b>	<b>Care Home Contract Rates</b>  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
<b>4</b>	<b>Living Wage Increase</b>  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

	<b><u>Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Expenditure Pressures</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>5</b>	<b>Free Personal Care Inflation Increase</b>  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
<b>6</b>	<b>Carers Act – Additional Responsibilities</b>  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
<b>7</b>	<b>Older People Care Home Placements – Demand Pressure</b>  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 <sup>th</sup> highest 75+ population in Scotland.  This pressure is offset by Saving No 6 below.	909	272	272
<b>8</b>	<b>Care at Home – Demand Pressure</b>  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
<b>9</b>	<b>OT Adaptation and Equipment – Demand Pressure</b>  The expected growth in 75+ population is expected to directly increase demand for OT adaptations and equipment.	50	50	50

	<b><u>Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Expenditure Pressures</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>10</b>	<b>Learning Disabilities Transitions Clients transferring from Education &amp; Children Services</b>  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
<b>11</b>	<b>Learning Disability &amp; Mental Health - Increased Demand Social Care</b>  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
<b>12</b>	<b>Full year cost of priority investment in Enhanced Community Support</b>  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 <sup>nd</sup> 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
<b>13</b>	<b>Investment in CAPA (Care about Physical Activity)</b>  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
	<b>TOTAL PRESSURES</b>	<b>7,298</b>	<b>4,011</b>	<b>4,111</b>

	<u>Expenditure Pressure &amp; Impact Analysis</u>	Expenditure Pressures		
		2020/21 £000	2021/22 £000	2022/23 £000
1	<p><b>2019/20 Recurring Budget Deficit</b></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"> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	1,801	0	0
2	<p><b>Financial Plan Savings not achievable</b></p> <p>Total Savings plans of £2.630m were approved as part of the 2019/20 Financial Plan for Core Health &amp; 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



	<b><u>Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Expenditure Pressures</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>3</b>	<b>Increase in 2019/20 Employer Pension Contributions</b>  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 <sup>st</sup> 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
<b>4</b>	<b>Uplift to Staff Pay Costs</b>  Additional pay costs from pay increase to NHS Tayside employed staff for all 3 years.	1,190	1,253	1,084
<b>5</b>	<b>Increase in pay costs resulting from NHS Scotland Agenda for Change Increment Re-Structure</b>  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 <sup>st</sup> 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
<b>6</b>	<b>Regarding Band 2/3 Inpatient Health Care Support Workers &amp; AHP Service Leads</b>  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
<b>7</b>	<b>Incremental Drift Community Hospitals</b>  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

	<b><u>Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Expenditure Pressures</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>8</b>	<b>Occupational Therapy Equipment</b>  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
<b>9</b>	<b>Learning Disability and Mental Health: Increased Demand Health Services</b>  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
<b>10</b>	<b>Community Mental Health Services: Antipsychotic and Substance Misuse Medicines</b>  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
<b>11</b>	<b>Prescribing Item Growth</b>  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
<b>12</b>	<b>Prescribing Price Growth</b>  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

	<b><u>Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Expenditure Pressures</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>13</b>	<b>Health and Safety Regulations Community Hospitals</b>  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
<b>14</b>	<b>Full Year cost of priority investment in Enhanced Community Support/Respiratory Service/Intermediate Care Beds</b>  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 <sup>nd</sup> 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
<b>15</b>	<b>Primary Care Resilience Team</b>  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
	<b>TOTAL PRESSURES</b>	<b>6,176</b>	<b>2,451</b>	<b>1,907</b>



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

**APPENDIX 2**

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
<b>1</b>	<p><b>Relocation from Highland House</b></p> <p>PKC Drug and Alcohol Team and NHST Substance Misuse Services and Mental Health Officers have been co-located within Highland House, Perth for the past few years. The lease agreement came to an end in August 2019. Alternative accommodation for staff and services is identified. This is the full year effect of a saving delivered in 2019/20, approved by the IJB as part of the 3 Year Financial Plan.</p> <p><u>Impact Analysis and Risk Assessment</u>  <b>Socio Economic:</b> None  <b>Workforce:</b> Workers' bases will change but the impact will be minimal  <b>Service user/ patient:</b> Clinics are likely to be run from Health Centre a few hundred yards away from current location.  <b>Equalities/Diversity:</b> None  <b>Outcome and Performance:</b> None</p>	21	0	0
<b>2</b>	<p><b>Integration of Health and Social Care Teams</b></p> <p>Through redesign and efficiency from shared resources, a reduction of staffing headcount and removal of vacancies will deliver savings across a number of Health and Social Care Teams. These teams include Discharge Hub, Substance Misuse Services, Self Directed Support and Employment Support.</p> <p><u>Impact Analysis and Risk Assessment</u>  <b>Age</b> – Integration of management functions will not impact on direct service delivery  <b>Disability</b> – None. Any change in function or structure will need to ensure that statutory responsibilities are discharged across the Partnership  <b>Socio-economic</b> – None  <b>Climate Change</b> – this proposal will have a no impact on climate change.  <b>Mitigating actions</b> – This proposal will result be supported through consultation with HR and professional groups. The role of Clinical, Care and Professional Governance structure will provide scrutiny to ensure quality and standards are maintained.  <b>Workforce</b> – There will be an impact within the workforce that will be managed through workforce management measures  <b>Service User/patient</b> – Integrating the teams will lead to improved outcomes for clients.  <b>Outcome and Performance</b> – Integrating management functions will lead to more efficient and effective service delivery.</p>	120	30	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
3	<p><b>Prepaid Card Scheme</b></p> <p>A new payments system for Direct Payment Clients is to be introduced. These pre-paid cards allow standing orders, direct debits and bank transfers to be set up. The use of the cards supports effective audit of spend and significantly increases the effective claw back of unused money on a timely basis. The cards are now used by over 100 local authorities across the United Kingdom, as well as other organisations such as housing associations, charities and Social Enterprises. Savings are anticipated from a stepped increase in the level of claw back and through a reduction in the staffing currently required to support purchase/sales ledger transaction processes.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Socio Economic:</b> this will affect people from all socio-economic backgrounds. It is likely to have a positive impact as the cards will be available to people from lower socio-economic backgrounds, including those who are unable to open traditional bank accounts. This is possible as the cards/accounts are fully owned and managed by the local authority, and therefore not based on individual client credit history checks.</p> <p><b>Workforce:</b> 0.44 FTE, no vacancies – to be addressed through workforce management measures.</p> <p><b>Service user/patient:</b> there are currently around 280 adults in receipt of a Direct Payment from the Council for their care and support services. This proposed change will reduce the amount of administration required by them in managing their Direct Payment. It will also reduce the costs to them as they will be required to submit a substantially-reduced amount of monitoring evidence, due to enhanced automatic monitoring systems in place with the prepaid card providers.</p> <p><b>Equalities/Diversity:</b> this proposed change will improve equality of the Direct Payment scheme as the cards will be available to everyone in receipt of a Direct Payment, rather than only those who are able/willing to open a bank/building society account.</p> <p><b>Outcome and Performance:</b> the introduction of prepaid cards will allow much more robust and timely audit and monitoring processes, ensuring that any build-up of unused funds are identified early. This will allow the HSCP to reinvest the recovered resources ensuring that an ever-increasing demand for essential care and support services across Perth and Kinross can be met.</p>	0	40	40
4	<p><b>Single Handed Care</b></p> <p>In Perth and Kinross approximately 100 people receive visits from two carers to assist with hoisting and transfers. There is a steady increase in the number of people requiring this level of support with increased frailty being maintained at home. This project will review and reduce demand for two carers through active rehabilitation and self management; an approach used successfully in other parts of the UK. This saving will mitigate Pressure No 8 above.</p> <p>This saving was approved as part of the IJB's 3 Year Financial Plan for Core Health and Social Care</p>	100	0	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Age</b> – this will disproportionately affect older people as they are more likely to need this support than the general population.</p> <p><b>Disability</b> – this will disproportionately affect people with a physical disability.</p> <p><b>Socio-economic</b> – this will affect people from all socio-economic backgrounds. Fewer carers will be required, however this will be counterbalanced by increasing demand due to demographics.</p> <p><b>Climate Change</b> – this will have a minimal impact on climate change. There may be some reduction in emissions due to reduced staff travel as only one carer will be required to visit instead of two.</p> <p><b>Mitigating actions</b> – People will continue to receive the support they require but it will be delivered by one carer and appropriate equipment rather than by two carers. Maintenance charges for equipment are currently means tested.</p> <p><b>Controllable/uncontrollable expenditure</b> - Perth and Kinross HSCP has a duty of care for people who are 'ordinary residents.' However this care can be delivered more cost effectively through single handed care.</p> <p><b>Workforce</b> – Workers will need to be trained in single handed care and closer working will be required with HART and private care providers.</p> <p><b>Service User/patient</b> – improved experience for people receiving support from one person rather than two and reduced waiting times for care packages starting</p> <p><b>Outcome and Performance</b> – more people will be supported to remain at home with existing care at home resource.</p>			
5	<p><b>Review of Supported Living Block Contracts</b></p> <p>Building on the 2019/20 review and redesign programme, this further stage will consider redesign options for sleepover provision using technology where appropriate. Accommodation provision will be reviewed to identify redesign options. An optimum purchasing approach will also be developed to support efficiency, value for money, reduction in duplication of services and collation of providers where appropriate.</p> <p>This further saving will mitigate Pressure No 10 and 11 above.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Age</b> – 16 plus age group</p> <p><b>Disability</b> – the majority of these individuals are those with a learning disability and/or autism and or a mental health condition.</p> <p><b>Socio-economic</b> – there will be a reduction in funding to several providers and may have staffing implications, although this will be closely monitored to ensure it does not impact on quality of provision.</p> <p><b>Climate Change</b> – this proposal will have no impact of climate change.</p> <p><b>Mitigating actions</b> – the review of block contracts was and is necessary to ensure historically set up contracts are not allowed to roll over year on year without appropriate scrutiny, this review will ensure best value whilst maintaining a high</p>	160	0	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<p>standard of care and support for individuals with long term conditions. We will continue to closely monitor contracts and data stored to ensure providers do not experience unexpected cuts to their budget.</p> <p><b>Controllable/uncontrollable expenditure</b> – the nature of block contracts means that there will always be some movement within them, either because packages of care need adjusted, or a resident may move and out and be replaced by another who may have a greater or smaller package of care. The MH projects are more prone to this movement; however, the Commissioning team are cognisant of this issue and monitor closely the hours allocated and therefore the controllability of this expenditure.</p> <p><b>Workforce</b> – This may have workforce implications, the providers will manage this through their own workforce planning.</p> <p><b>Service User/patient</b> – this should not impact on the quality care and support provided, savings identified have primarily come from overnight support that wasn't required or increased scrutiny of actual hours delivered.</p> <p><b>Outcome and Performance</b> – the quality of supports should not decline and the overall quality of life for individuals should improve. Performance and impact will be monitored during implementation.</p>			
6	<p><b>Review of Care Home Placements</b></p> <p>Investment in enhanced community support (ECS), rehabilitation, recovery and self-help will maintain people in their own homes for longer and delay the point at which people are admitted to care homes. Based on evidence from the Angus Care Model this will reduce the average length of stay and the overall requirement for care home placements. This is projected to reduce demand by 45 Care Home Placements by March 2021. Phasing of saving reflects the requirement to ensure all elements of the Reshaping Older Peoples Programme are implemented. This saving is linked to the essential service development included at Pressure No 12. It also mitigates Pressure No 7 Care Home Demand Pressures-demographic growth.</p> <p>This saving was approved as part of the IJB's 3 Year Financial Plan for Core Health and Social Care Services but has been rephrased to reflect delay in implementation of ECS.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Socio Economic:</b> Care homes in rural localities carry more vacancies than those in Perth City, where there is more competition for places. Any reduction in care home places may impact on the viability of care homes.</p> <p><b>Workforce:</b> No impact on PKC staff. Potential impact on the independent sector. A reduction of 45 beds could have an impact upon market stability.</p> <p><b>Service users/ patients:</b> People may experience a restriction in choice of care home however vacancies will continue to be monitored closely.</p> <p><b>Equalities/Diversity:</b> Potential impact on unpaid carers. Adult Carers Support Plans would compensate for reduced access to respite.</p>	462	500	0



	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<b>Outcome and Performance:</b> Supporting people at home for longer and reducing dependency on residential care is in line with our strategic priorities for older people. A reduction in dependency on residential care will improve outcomes and organisational performance.			
<b>7</b>	<p><b>Transformation of Services for People with Complex Care Needs</b></p> <p>These are Year 2 and Year 3 savings of a 3 Year Transformation Plan to design financially sustainable models of high quality support and care.</p> <p>The key areas of transformation are:-</p> <ul style="list-style-type: none"> <li>• Accommodation through the Independent Living Group</li> <li>• Increased use of TEC</li> <li>• Review access to and impact of Behavioural Support Interventions</li> <li>• Review Transitions Process</li> <li>• Review policy/guidance/eligibility criteria in relation to how people's support requirements are met</li> </ul> <p>In 2019/20 planned savings of £350k have been delivered from the introduction of a robust reviewing process. This further saving will mitigate Pressure No 10 and 11 above.</p> <p>The 3 year savings plan was approved by the IJB as part of the 3 Year Financial Plan for Core Health &amp; Social Care Services.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Age</b> – this will affect clients of all age groups.</p> <p><b>Disability</b> – This will affect all client groups, however the majority of people with complex care packages are people with a learning disability and/or autism. A significant number of people with a physical disability will also be affected.</p> <p><b>Socio-economic</b> – this will affect people from all socio-economic backgrounds. However people with a disability are more likely to be from a lower socio-economic background so it is likely a disproportionate number of people from a lower socio-economic background will be affected.</p> <p><b>Climate Change</b> – this proposal will have a minimal impact of climate change. Core and cluster developments may result in fewer emissions relating to staff travel.</p> <p><b>Mitigating actions</b> – This Transformation is focussed on developing a financially sustainable model that also provides high quality care through increased use of TEC, core and cluster developments and emphasising early intervention and prevention to maximise independence levels and providing appropriate intervention in relation to behavioural issues. Any charges will be means tested</p> <p><b>Controllable/uncontrollable expenditure</b> – Perth and Kinross HSCP has a duty of care for people who are 'ordinary residents' and have complex support requirements. However there is some flexibility legally regarding exactly how people</p>	500	250	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<p>are supported. Therefore it is possible to have some control over expenditure through developing and implementing a clear and robust eligibility criteria.</p> <p><b>Workforce</b> – appropriate training will need to be provided for the relevant workers in relation to autism, learning disability and behavioural support intervention. Some existing roles may need to be reviewed.</p> <p><b>Service User/patient</b> – a majority of requests currently seek to allow people to live in their own tenancy with a bespoke package of care requiring 1-1 support 24/7. Other options such as small group living and core and cluster will now be considered and increased use of TEC. Supports will intervene earlier to maximise independence and behavioural issues addressed appropriately. We will review the way services are commissioned to assure sufficient and sustainable capacity for the requirements of people in P and K.</p> <p><b>Outcome and Performance</b> – this proposal will alter the way in which some people's outcomes are achieved. The quality of supports should not decline and the overall quality of life for individuals should improve. Performance and impact will be monitored during implementation.</p>			
8	<p><b>Review of Care at Home</b></p> <p>Investment in rehabilitation and reablement through enhanced community support will moderate the rising demand for care at home. This saving is linked to the essential service developments included at Pressure No 12 and No 13, that seek to invest additional capacity into community-based teams to shift the balance of care. This saving will also help to mitigate Pressure No 8 Care at Home demand Pressure.</p> <p>This saving was approved as part of the IJB's 3 Year Financial Plan for Core Health and Social Care Services.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Socio Economic:</b></p> <p>It is possible that some care providers may not accept the additional scrutiny and withdraw from Perth and Kinross. This may cause some market instability impacting local employment opportunities in the care sector.</p> <p><b>Workforce:</b> This will potentially cause some temporary additional workload and disruption from changes to organisations and structure.</p> <p><b>Service users/ patients:</b> There may potentially be a temporary impact on clients as they adjust to new levels of care to meet their -assessed needs. The contracts and commissioning team will work with care at home providers to monitor the supply of care at home to mitigate disruption to clients. After assessment, clients with low to moderate needs may no longer receive Care at Home but will be signposted to community support.</p> <p><b>Equalities/Diversity:</b> The impact on older, vulnerable adults and on unpaid carers will assessed carefully. Adult Carers Support Plans will support the Partnership to design options for respite, taking service users and carers needs into account.</p> <p><b>Outcome and Performance:</b> Changes in Care at Home funding may influence capacity to support more people at home for longer.</p>	100	200	200

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
9	<p><b>Contributions Policy</b></p> <p>The Council implemented the current Adult Social Work &amp; Social Care Contributions Policy in February 2014 in preparation for the introduction of the Self-Directed Supported (Scotland) Act in April 2014. This policy covers all care and support services received by a person at home such as homecare, day services, transport, short-breaks, telecare and sheltered housing support. Following approval as part of the 2016/17 budget setting process, the Council considered amending the policy from October 2018, however, at the request of clients and organisations, implementation was deferred to consider a wider range of options and undertake more detailed work.</p> <p>A full review of the policy is underway and a number of potential changes have been identified to bring the Council's policy more in line with national guidance. The Council is more generous in these areas than that recommended by the national guidance and currently contributes an average of 93.6% of the cost of care for adults receiving chargeable care and support services. However, at a time where national government budget settlements are reducing and demand for care and support services is continuing to increase, it is proposed that the Council move to be more in line with the rest of Scotland where contributions policies are in place and follow the national guidance as recommended. Introducing a policy where, people who can afford it, pay a bit more for their services, will help ensure everyone continues to receive the required support and reduce the risk of services being reduced.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Age</b> – this will affect clients of all age groups. The majority of people in receipt of chargeable care and support services are older people, however, the recommended changes will mainly affect people of working age.</p> <p><b>Disability</b> – This will affect all client groups, however the majority of people who will see an increase in what they are asked to pay have a learning disability.</p> <p><b>Socio-economic</b> – this will affect people from all socio-economic backgrounds.</p> <p><b>Climate Change</b> – this proposal will have no impact on climate change.</p> <p><b>Mitigating actions</b> – to ensure that everyone affected by the proposed changes are aware of the changes, and how they affect them, a number of mitigation actions have been considered such as, engagement events with local carer/support groups, involvement of the Centre for Inclusive Living (CILPK) throughout the project, joint visits with Assessment &amp; Charging staff and the client's support worker and/or Social Worker, and 'easy-read' version of all literature, where possible, will be made available.</p> <p><b>Controllable/uncontrollable expenditure</b> – this saving has been calculated using the current client base, and due to the nature of care services, there will likely be some changes in client numbers, care package and client finances, prior to implementation of the revised policy, meaning the actual saving realised may be different.</p> <p><b>Workforce</b> – this proposal will have no impact on workforce.</p> <p><b>Service User/patient</b> – the majority of people currently in receipt of non-residential care and support will see no change in what they are asked to contribute towards their care package. A small number will be asked to pay less and some who can afford to do so, will be asked to pay a bit more.</p>	273	435	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<b>Outcome and Performance</b> – this proposal will ensure that resources are available to allow the HSCP to continue meeting an ever-increasing demand for essential care and support services across Perth and Kinross.			
	<b>TOTAL SAVINGS</b>	<b>1,736</b>	<b>1,455</b>	<b>240</b>

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

**APPENDIX 2**

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
<b>1</b>	<p><b>Ring fenced Surplus for Health Services within 2019/20 Financial Plan</b></p> <p>The 2019/20 Financial Plan for Core health Services set aside an overall surplus between pressures and savings for potential utilisation as an Invest to Save Fund. This has been used to support the overall in year financial position in 2019/20 and it is proposed that this be released to offset significant unanticipated pay pressures across Health Services in 2020/21. Discussions with both NHS Tayside and Perth &amp; Kinross Council have provided a strong indication that bids for pump priming/invest to save funds will be positively considered.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Socio Economic:</b> N/A  <b>Workforce:</b> N/A  <b>Customer:</b> N/A  <b>Equalities/Diversity:</b>N/A.  <b>Outcome &amp; Performance:</b> N/A</p>	457	0	0
<b>2</b>	<p><b>Relocation from Highland House</b></p> <p>PKC Drug and Alcohol Team and NHST Substance Misuse Services and Mental Health Officers have been co-located within Highland House, Perth for the past few years. The lease agreement came to an end in August 2019. Alternative accommodation for staff and services was identified. This is the full year effect of a saving delivered in 2019/20, approved by the IJB as part of the 3 Year Financial Plan.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Socio Economic:</b> None  <b>Workforce:</b> Workers' bases will change but the impact will be minimal  <b>Service user/ patient:</b> Clinics are likely to be run from Health Centre a few hundred yards away from current location.  <b>Equalities/Diversity:</b> None  <b>Outcome and Performance:</b> None</p>	27	0	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
3	<p><b>Integration of Health and Social Care Teams</b></p> <p>Through redesign and efficiency from shared resources, a reduction of staffing headcount and removal of vacancies will deliver savings across a number of Health and Social Care Teams. These teams include Locality Teams, Discharge Hub and the Substance Misuse Service.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Age</b> – Integration of functions will not impact on direct service delivery</p> <p><b>Disability</b> – None. Any change in function or structure will need to ensure that statutory responsibilities are discharged across the Partnership</p> <p><b>Socio-economic</b> – None</p> <p><b>Climate Change</b> – this proposal will have a no impact on climate change.</p> <p><b>Mitigating actions</b> – This proposal will result be supported through consultation with HR and professional groups. The role of Clinical, Care and Professional Governance structure will provide scrutiny to ensure quality and standards are maintained.</p> <p><b>Workforce</b> – There will be an impact within the workforce that will be managed through workforce management measures</p> <p><b>Service User/patient</b> – Integrating the teams will lead to improved outcomes for clients.</p> <p><b>Outcome and Performance</b> – Integrating management functions will lead to more efficient and effective service delivery.</p>	147	148	0
4	<p><b>Redesign of Rehabilitation Beds</b></p> <p>During 2018/19, PKHSCP's Older People and Unscheduled Care (OPUSC) Board, working with the PRI Clinical Forum, agreed that investment in the full roll out of the enhanced community support service (ECS) across Perth &amp; Kinross and the establishment of a respiratory community care service was fundamental to the key ambition to shift the balance of care and reduce the requirement for hospital and care home beds. Despite some early delays, these new services are now being implemented. In parallel, the expected impact of this investment on the future need for beds and the need to ensure equity of access across all of Perth &amp; Kinross, was being considered as part of a Review of Rehabilitation Beds which was initiated in 2018/19. The IJB gave its full support to this Invest to Save Strategy, recognising that this was fundamental to long term financial sustainability.</p> <p>The overall objectives of the Review of Rehabilitation Beds is to:</p> <ul style="list-style-type: none"> <li>• Ensure best use of our resources</li> <li>• Ensure equity of access to all Perth &amp; Kinross adult residents</li> <li>• Provide people with the right care at the right time and by the right person</li> <li>• Ensure that care is of the highest care, safe and sustainable</li> <li>• Ensure that inpatient rehabilitation environments are modern, fit for purpose and meet national standards.</li> <li>• Improve people's experience and satisfaction of health and social care services.</li> </ul>	240	500	0

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<p>This savings proposal is linked to the essential service developments included at <b>Pressure No. 13</b> which provides the full year effect of investment in Enhanced Community Support, the Respiratory Service and Intermediate Care provision in Perth City.</p> <p><u>Impact Analysis and Risk Assessment</u></p> <p><b>Socio Economic:</b> P&amp;K faces rising demand for services from an aging population with increasingly complex needs at a time of fiscal constraint across public services. The Partnership must optimise the number of Community Hospital beds and align them with population need.</p> <p><b>Workforce:</b> There are national shortages of some specialist staff and local shortages of support staff because of strong competition for workforce across different sectors of the economy. Difficulties in recruiting to health and care vacancies in rural communities mirrors the experience of other sectors of the economy. Redesign will support recruitment and retention challenges. Any change in location of services will have an impact on demand for community based services that will be offset by investment in enhanced community support. Changes in service will be planned in partnership with staff and staff organisations</p> <p><b>Customer:</b> Extensive engagement and consultation has demonstrated the public prefer care and support to be provided at home or as close to home as possible. The need for hospital care depends upon the complexity of need. Very acute services are likely to become increasingly specialised and people may need to travel. Community hospitals will provide care where care in the home is not possible. As described above, rehabilitation and intermediate care beds should be available as close to home as possible to retain connection with local community services. The Partnership has a duty to follow national standards for public consultation and engagement in any proposal for change. (CEL4).</p> <p><b>Equalities/Diversity:</b> The partnership will adhere to appropriate policies and procedures to ensure consideration of all matters of human rights when undertaking organisational change.</p> <p><b>Outcome &amp; Performance:</b></p> <ul style="list-style-type: none"> <li>• More people will be cared for closer to home.</li> <li>• People are supported to return home from hospital as soon as their acute care is concluded. (Reduced delayed discharges. Reduction in occupied bed days.)</li> <li>• The experience of care will improve for service users and carers.</li> <li>• A greater proportion of the population will experience improved end of life care at home.</li> </ul>			
5	<p><b>Shifting the Balance Acute to Community OPUSC (Large Hospital Set Aside)</b></p> <p>The “Large Hospital set-aside” describes the budget for services delegated to the IJB that are provided in large hospitals and managed by the acute service for the population served by P&amp;K IJB. The purpose of the set aside budget is to provide the Health Board with a mechanism by which acute hospital services will be planned, redesigned and commissioned by the IJB to shift the balance of care from hospital-based care to community based care. (The large hospital set aside budget covers</p>	0	0	500

	<u>Saving / Impact Analysis</u>	Net Saving		
		2020/21 £000	2021/22 £000	2022/23 £000
	<p>services such as unscheduled Medical, Respiratory and Emergency Departments). The opportunity created by the Large Hospital Set Aside budget links the P&amp;K Strategic commissioning plan to NHS Tayside's Clinical Strategy "Transforming Tayside". The timing of the savings in the three year budget cycle reflects the partnership's ability to commission robust community alternatives to hospital care and the time required to effect the cultural change required to deliver sustainable safe and effective care. The challenge is common to all Health and Social Care Partnerships in Scotland. The following evidence based proposals for investment (Nuffield Trust 2017) are included in the emerging 2019-2022 Strategic Commissioning Plan.</p> <ul style="list-style-type: none"> <li>• Investment in community respiratory teams</li> <li>• Enhancement of community response (ECS)</li> <li>• Community Advanced Nurse Practitioners working across P&amp;K Care Homes (ECS)</li> <li>• Remote monitoring of people with certain long-term conditions (TEC)</li> </ul> <p>Further development and consolidation of the Home Assessment and Recovery Team (HART) once fully deployed, will reduce delays in hospital discharge for those that are medically fit for discharge.</p> <p>Combined, these initiatives are projected to reduce the demand for acute services, which would mean that fewer acute medical beds will be required in PRI by 2022/23. This change will move an initial £500k from acute to community through the large hospital set aside budget. There is a strong possibility that the scale of change could be more ambitious. Changed patterns of working for professional staff and new models of care could allow further investment in community services that reduce the demand for hospital based care even further.</p> <p>This savings proposal is linked to the essential service developments included at <b>Pressure No. 13</b> which provides the full year effect of investment in Enhanced Community Support, the Respiratory Service and Telecare.</p> <p><u>Impact Analysis and Risk Assessment</u>  <b>Socio Economic:</b> N/A  <b>Workforce:</b> Managed through redesign and organisational change processes.  <b>Service user/ patient:</b> N/A  <b>Equalities/Diversity:</b> N/A  <b>Outcome and Performance:</b> The safe and effective reduction in bed numbers in 2021/22 requires evidence of effective system change over the next 2 years. Success will be measured through reduction in unplanned admissions, reduction in length of stay and a sustained and significant reduction in delays to discharge from hospital.</p>			



	<b><u>Saving / Impact Analysis</u></b>	<b>Net Saving</b>		
		<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>
<b>6</b>	<b>Shifting the Balance Acute to Community (Mental Health and Learning Disabilities)</b>  As set out within Pressure 1 above 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.  The new IP Mental Health Leadership Team working with the Mental Health Alliance are considering significant redesign of patient pathways which is expected to significantly reduce the current reliance on medical locum costs. This work will look at new workforce models and the shape and scale of community based services. It is assumed that by 2022/23 this work will have progressed and that the current level of overspend in relation to medical locums will have been addressed in full.	0	0	500
<b>7</b>	<b>General Pharmaceutical Services Budget Realignment</b>  Year on year Health Boards in Scotland have benefitted from nationally negotiated rebates and a share of community pharmacy profit sharing claw backs. However, lack of certainty meant no income budget was recognised. Across Scotland, increased certainty allows that income to be recognised on a recurring basis.	880	0	0
<b>8</b>	<b>Quality Safety and Efficiency in Prescribing</b>  PKHSCP have developed a Quality Safety and Efficiency Prescribing Programme (QSEP), engaging with GP Practices across P&K. This work is supported by the PK GP Engagement Fund , approved by the IJB to support sustained GP involvement in managing prescribing costs. This work has relied on the development of a robust data model that reliably supports identification of prescribing variation on a practice by practice basis. From 2019/20 onwards a bespoke practice by practice QSEP work plan has been developed. In addition, a number of wider projects will be taken forward across the Perth & Kinross practices.	412	100	100
<b>9</b>	<b>Prescribing Management Group Savings Plan</b>  The Prescribing Management Group are leading on a number of Tayside wide initiatives, including price and efficiency. Further work is ongoing to identify years 2 and 3.	94		
	<b>TOTAL SAVINGS</b>	<b>2,257</b>	<b>748</b>	<b>1,100</b>



## APPENDIX 3

## 3 Year Financial Plan

## APPENDIX 3

	Requisition 2020/21			Year 2 Plan 2021/22			Year 3 Plan 2022/23		
	Health £m	Social Care £m	Total £m	Health £m	Social Care £m	Total £m	Health £m	Social Care £m	Total £m
Recurring Budget	141.6	52.4	194.0	146.0	57.5	203.5	148.2	57.0	205.2
Pressures	6.2	7.3	13.5	2.4	4.0	6.4	1.9	4.1	6.0
Total Expenditure	147.8	59.7	207.5	148.4	61.5	209.9	150.1	61.1	211.2
Less: Savings	2.3	1.7	4.0	0.7	1.5	2.2	1.1	0.2	1.3
Budget Required	145.5	58.0	203.5	147.7	60.0	207.7	149.0	60.9	209.9
Resource Transfer Uplift	0.5	(0.5)	0.0	0.5	(0.5)	0.0	0.5	(0.5)	0.0
<b>Requisition</b>	<b>146.0</b>	<b>57.5</b>	<b>203.5</b>	<b>148.2</b>	<b>59.5</b>	<b>207.7</b>	<b>149.5</b>	<b>60.4</b>	<b>209.9</b>
Proposed Partner Budget	144.2	57.5	201.7	148.6	57.0	205.6	150.9	58.6	209.5
Further Assumed SG Income	-	-	-	-	1.8	1.8	-	1.8	1.8
<b>Shortfall / (Surplus)</b>	<b>1.8</b>	<b>0.0</b>	<b>1.8</b>	<b>(0.4)</b>	<b>0.7</b>	<b>0.3</b>	<b>(1.4)</b>	<b>0.0</b>	<b>(1.4)</b>

  

	Health £m	Social Care £m	Total £m
<b>3 Year Total Shortfall / (Surplus)</b>	<b>0.0</b>	<b>0.7</b>	<b>0.7</b>

