



REPORT TO: MORAY INTEGRATION JOINT BOARD ON 25 NOVEMBER 2021

**SUBJECT: OLDER PERSONS AND PHYSICAL SENSORY DISABILITY
BUDGET OVERSPEND QUARTER 2 FOR 2021/22**

BY: SEAN COADY, HEAD OF SERVICE

1. REASON FOR REPORT

1.1. To inform the Board of the Older Persons and Physical Sensory Disability (PSD) overspend of £1.65M as at 30 September 2021 and measures being taken to address this.

2. RECOMMENDATION

2.1. It is recommended that the Moray Integration Joint Board (MIJB):

- i) understands the current financial position and actions taken to manage the overspend; and**
- ii) notes that many of the trends discussed in this report are not specific to Moray but are nationwide in their nature.**

3. BACKGROUND

Introduction

3.1 Older persons and physical sensory disability (PSD) services is showing a £1.65M overspend as at 30 September 2021. The majority of this is external Care at Home (£1.51M) with further overspend in Permanent Care (£0.24M) and Respite (£0.08M). The overspend is partially being reduced by lower costs in Day Care Services (£0.19M).

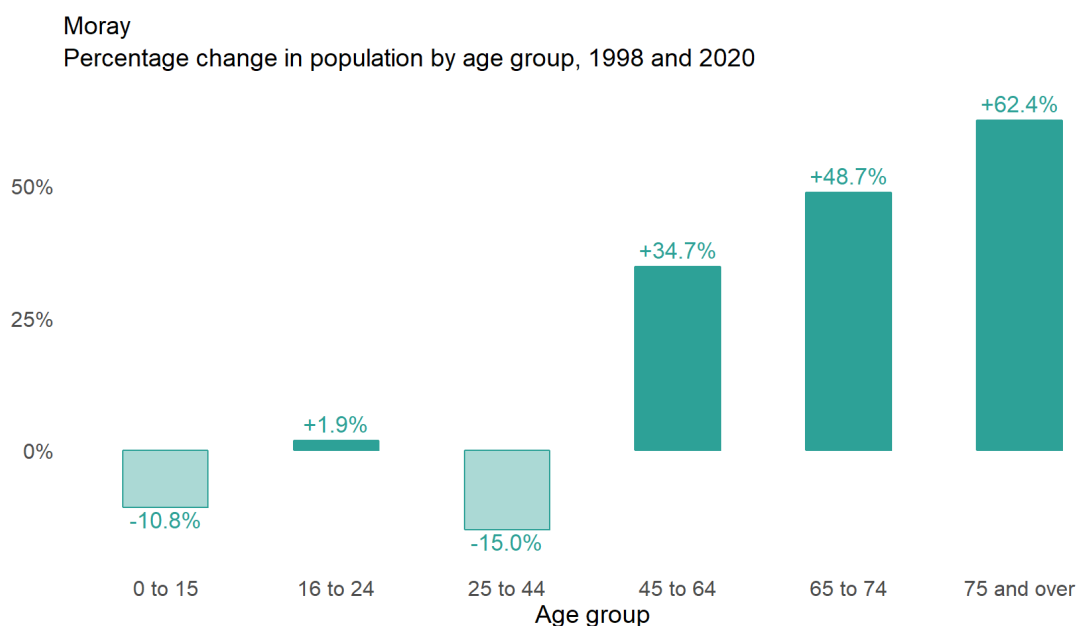
Demographics

3.2 The average age of Moray's population has risen by more than 3.5 years over the past decade. The increase is the sixth steepest out of Scotland's 32 local authority regions. On 30 June 2020, the population of Moray was 95,710. This is a decrease of 0.1% from 95,820 in 2019. Over the same period, the population of Scotland remained stagnant.

3.3 Moray had the 23rd highest population in 2020, out of all 32 council areas in Scotland. Between 2019 and 2020, 20 councils saw a population decrease and 12 councils saw a population increase. Between 1998 and 2020, the population of Moray has increased by 10.3%. This is the 11th highest percentage change out of the 32 council areas in Scotland. Over the same period, Scotland's population rose by 7.7%. In 2020, there were more females (50.4%) than males (49.6%) living in Moray. There were also more females (51.2%) than males (48.8%) living in Scotland overall.

3.4 In terms of overall size, the 45 to 64 age group was the largest in 2020, with a population of 27,544. In contrast, the 16 to 24 age group was the smallest, with a population of 9,019. In 2020, more females than males lived in Moray in 3 out of 6 age groups.

Between 1998 and 2020, the 25 to 44 age group saw the largest percentage decrease (-15.0%). The 75 and over age group saw the largest percentage increase (+62.4%).¹



Impacts of Covid

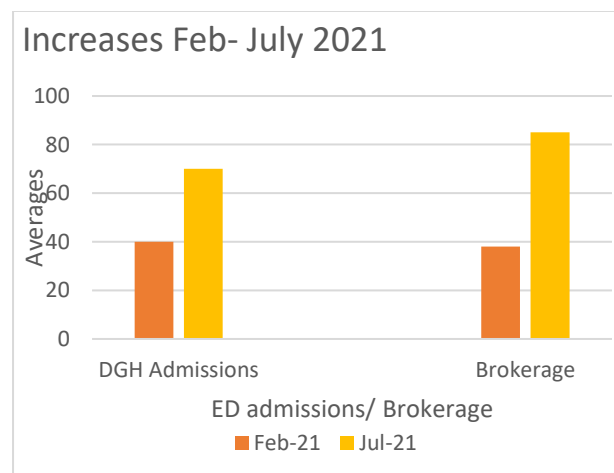
- 3.5 At the beginning of the pandemic each service was requested to identify what aspects of their services were critical and non-critical. Decisions were made in relation to prioritisation of services and many families stepped in to support older relatives due to these changes.
- 3.6 We are now moving to a hybrid business as usual and Covid models, and we are now seeing the true costs of contingencies put in place, or indeed removed. There has been an element of firefighting throughout the 18 months of pandemic that remains relevant.
- 3.7 Initially during March 2020, all care packages were reviewed leaving remaining packages that were high cost and complex. At the beginning of lockdown with

¹ <https://www.nrscotland.gov.uk/>

many families being off work, they took on some of the burden of care. As the pandemic has progressed and people started to return to the workplace, the demands for care have risen.

System challenges

- 3.8 On average, since February 2021, Emergency Department (ED) activity has almost doubled. The average number of patients presenting at ED daily in February was in the 40s, by July 2021 this was in the 70s. This is not just Covid activity but is now a presentation of patients with higher acuity, co-morbidities and complex circumstances.
- 3.9 This, in turn is increasing length of stay as well as readmission rates. **On average 15% of all readmissions nationally are older patients.**² This is a combination of ‘missed care’ previously known as the Health Debt, caused by cessation of preventative and elective treatments as well as a relaxation in lockdown protocols. We are now witnessing a social debt that needs consideration. Although some Covid measures have relaxed, bed spacing is still in effect which is seeing higher numbers of patients and fewer resources which impacts on social care services.



- 3.10 Initial Covid bed spacing reductions saw Dr Gray’s Hospital and community hospitals reduce their bed base by 19%. Dr Gray’s Hospital went from 190 to 154 beds and are still reduced due to the ongoing legionella situation, contingency bed plans and surge requirements. Community hospitals went from 62 to 50 and are now at 52.
- 3.11 All care providers are experiencing retention deficits and recruitment drives are often unsuccessful with reasons being uncompetitive rewards packages against increasing demands and expectations. Some providers have flagged an inability to cope with their workload - particular at weekends. Contingency methods have seen bank staff and other alternatives put in place at extra costs although staff are now being prevented from working longer hours as they are in breach of the Working Hours directive. As a result, this puts increasing pressure on internal services who are required to accommodate any unmet need whilst also facing similar issues.

² <https://www.bgs.org.uk/resources/scottish-care-of-older-people-scoop-project>

Budget Detail and Challenges

3.12 The Older Persons and PSD Services budget as at 30 September 2021 shows an overspend of £1.65M. This is a considerable increase in comparison to the same 6 month period over the last two financial years. The increase can be attributed to rising demands on care as well as additional pressures through Covid.

Year	Budget	Budget YTD	Actual	Variance
2021-2022	18,853,516	8,964,649	10,615,013	(1,650,365)
2020-2021	17,917,740	8,624,112	9,514,951	(890,839)
2019-2020	16,788,670	7,963,779	8,695,234	(731,456)

Care at Home

3.13 Care at Home has an annual budget of £4.70M. Year to date budget against actual cost is showing an overspend of £0.94M. Historically this budget has been in an overspend position.

Year	Budget	Budget YTD	Actual	Variance
2021-2022	4,702,357	2,087,259	3,020,701	(933,422)
2020-2021	4,554,361	2,126,175	2,588,279	(462,104)
2019-2020	4,267,890	1,856,138	2,094,481	(238,343)

3.14 The service has seen a small increase in the number of care packages versus the previous year. However, this is not enough to explain the increase. Instead the amount of care provided per service user has increased. This is a result of the health debt accumulating and services users now experiencing higher complexity and multi-morbidity. Through recent review of other Health and Social Care Partnerships Moray is not an outlier in experiencing these challenges with care at home.

3.15 In response to the rising costs all care packages over £500 per week are now signed off at service management level. These packages are monitored daily by the management resource team leaders in discussion with the appropriate locality manager, and if necessary referred to the Head of Service.

3.16 High end packages over £1,000 per week all have a robust assessment as to why they continue to be supported at home with high care packages in place. All are approved by Head of Service. It should be noted this process existed prior to the £500 per week package reviews.

3.17 The review process for care packages is annually, however this is now being reviewed through the new tender process.

3.18 The appointment of two providers during the winter of 2020/21 allowed packages to be taken on at rapid pace due to other services being cessed. This appointment was seen as necessary to ensure care packages could resume for both substantial and critical service users. These costs (£0.15M) were attributed to winter funding for 2020-2021 but not for 2021-2022. Discussions are currently ongoing about reallocating the 2021/22 costs from the recently announced Scottish Government funding. This will reduce the budget overspend by £0.43M

Sheltered Housing and Very Sheltered Housing

3.19 Additional costs have been attributed to a contract with a housing association to provide sheltered and very sheltered housing facilities. The anticipated transfer of funding was not realised which led to a cost pressure within this budget.

3.20 The financial position for this element has resulted in an overspend of £0.58M to 30 September 2021. It should be noted however that these facilities help older people feel safe and secure at home and live fulfilling and independent lives. There is an element of overnight care provided and the cost of care packages in these facilities are high.

Year	Budget	Budget YTD	Actual	Variance
2021-2022	313,296	156,535	734,446	(577,911)
2020-2021	313,296	156,535	706,669	(550,134)
2019-2020	34,000	566	476,124	(475,558)

Permanent (Care Home)

3.21 Permanent Care has an annual budget of £10.49M. Year to date budget against actual cost is showing an overspend of £0.24M.

Year	Budget	Budget YTD	Actual	Variance
2021-2022	10,488,259	5,211,542	5,450,728	(239,186)
2020-2021	9,893,158	4,913,911	5,090,822	(176,891)
2019-2020	9,413,372	4,699,283	4,508,010	191,272

3.22 Care home payments are paid based on Scottish Government rates. A separate rate is paid for those requiring residential care (£653.79 per week) and nursing care (£763.68 per week). This is increased each year and the budget is uplifted to take into account any increases. A contribution for care home costs may also be made by the service user following the completion of a financial assessment.

3.23 At present 482 residents are currently receiving financial assistance. Of these 238 are receiving residential care and 244 are receiving nursing care. Whilst this is lower than the same period in 2020 there is a marked increase from the

year prior, pre-Covid. Again, this is representative of the health debt being allowed to accumulate.

	April	May	June	July	Aug	Sept
Residential						
2021	238	240	243	238	234	238
2019	328	321	326	323	320	327
Movement	-90	-81	-83	-85	-86	-89
Nursing						
2021	252	249	245	249	246	244
2019	148	151	148	151	160	196
Movement	+104	+98	+97	+98	+86	+48

3.24 The review process for Long Term Care is annually but if there has been an increase to nursing this will be reviewed after the initial 6 weeks to ascertain if it is required.

3.25 Other time related elements will also affect the overspend at a given reporting period. These include paying the maximum entitlement of costs to a care home prior to the completion of an individual's financial assessment; being legally responsible for any outstanding debts due by an individual to the care home; and deferred payments i.e. an agreement that care home costs will be covered by the authority pending the sale of an individual's property.

Respite

3.26 Respite care is currently showing an overspend of £85,000 against a year to date budget of £307,000.

3.27 This is primarily driven by an overspend in respite in the west where there has been a number of clients in emergency respite for longer than the statutory 2 weeks due to not being able to discharge them. There has also been increased emergency respite in care homes when there has been a lack of community resource. The overspend is partially being offset by underspend within east side facilities, however further analysis is required to identify what is driving this.

Year	Budget	Budget YTD	Actual	Variance
2021-2022	741,666	306,618	391,006	(84,387)
2020-2021	738,031	304,719	258,968	45,750
2019-2020	648,424	265,517	387,165	(121,648)

Day Services

Year	Budget	Budget YTD	Actual	Variance
2021-2022	734392	307,491	120,768	186,723
2020-2021	734,392	307,491	57,178	250,313
2019-2020	738,792	309,324	391,342	(82,018)

- 3.28 There is an underspend in Day services at present due to the cessation of an external contract and services such as 'Shared Lives' being coded to Covid funding whilst the service is remobilised. 2020-2021 had a larger underspend due to services not running due to the pandemic. 2019-2020 overspend was due to an external contract but this has now ended.

4 KEY MATTERS RELEVANT TO RECOMMENDATION

Budget Scrutiny

- 4.1 Regular finance meetings are in place with accountants and operational managers.
- 4.2 There will be robust monthly reviews and decision making initiated by Head of Service.

Improvement Initiatives

- 4.3 Home first remains a priority for Health and Social Care Moray (HSCM) and Dr Gray's Hospital who are taking forward various programmes of work through the Home first Delivery group e.g. Health Improvement approach to respiratory conditions, Discharge to Assess, Hospital at Home, Ambulatory care, delayed discharge. Along with the outcome based commissioning for care at home and also the commitment to taking forward the 3 conversation model across our system in Moray will change the way we approach and provide care services in the future. Through the Moray Portfolio the Home first Delivery group have recognised the need to pull these initiatives under the Hospital without Walls proposals. Through a recent workshop unified key clinicians and managers have developed some key principles. This creates a new programme involving all aspects of Home First, unscheduled care, primary/secondary care being brought together under the umbrella of Hospital without Walls. The key objectives of this is to establish a system of responsive, seamless, co-ordinated, multi-disciplinary care supporting older people with frailty and multi-morbidity. The Home first programmes create highly responsive multi-disciplinary teams (MDTs) who can support patients in the community, front door of Dr Grays and in-patient wards to reduce and reshape demand and optimise discharge pathways etc.
- 4.4 The Moray Portfolio Senior Management Team have developed the following key priority areas to sit under this programme to provide focus and clarity:
- To reduce and reshape demand on services
 - To reduce congestion and overcrowding of the hospital Emergency Department

- To optimize discharge pathways across the system
- To enhance resilience and responsiveness of social work and social care, and
- To develop and inform the Grampian Operational Pressure Escalation System (G-OPES) framework in terms of appropriate Moray Portfolio actions to be taken in response to levels of escalating system pressure

Therefore it is recognised that moving forward the overarching programme 'Hospital without Walls' in Moray provides a whole system approach to addressing how we manage delays in the system and demand on current services. By pulling our resources together to rapidly intervene and appropriately manage decompensated frailty, and also support older people in advance of crisis, we can potentially minimise both personal and resource costs of dependency.

Additional Funding

- 4.5 In recent weeks, Scottish Government has announced additional funding and new investment that is being put into place to help protect health and social care services over the winter period and to provide longer term improvement in service capacity across our health and care systems. The investment aims to: maximise capacity; ensure staff wellbeing; ensure system flow and to improve outcomes. Over the next period, the Chief Financial Officer will work closely with the Senior Management Team to ensure the principles supporting this additional funding can be delivered. The impact on allocating this funding will alleviate some of the current pressure being experienced in the care at home budgets.

Contingencies

- 4.6 Winter surge plans such as the increase of the Community Response Team staffing should offset some expense of emergency respite. Additional staff have been recruited to support Access Team and Hospital Discharge teams to accelerate and improve processes. Winter planning is progressing at present. These posts have been funded through temporary funding.

Summary

- 4.7 Overspends are reflecting national trends of increased care demands on budgets already operating in a deficit and with decreased resources. This has been recognised in the recent announcements of additional funding and will be reflected in future reporting.

5. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) and Moray Integration Joint Board Strategic Plan "Moray Partners in Care 2019 – 2029"

This report is consistent with the objectives of the Strategic Plan and includes budget information for services included in the MIJB Revenue Budget 2021/22.

(b) Policy and Legal

It is the responsibility of the organisation receiving the direction to work with the Chief Officer and Chief Financial Officer to deliver services within the resources identified. The Moray Integration Scheme (para 12.8 of the

2015 Integration Scheme) makes provision for dealing with in year variations to budget and forecast overspend by reference to agreed corrective action and recovery plans. It also makes provision for dealing with year-end actual overspend where such action and plans have been unsuccessful in balancing the relevant budget by reference to use of MIJB reserves and additional payments from NHS Grampian and Moray Council.

(c) Financial implications

This budget will remain overspent despite contingencies and remedial and corrective measures being put in place. Additional funding has been announced and will support the overspend on this budget, however, it should be noted that there will still be a financial pressure on this budget at the end of the year. Future reporting will provide more detail on the impact.

(d) Risk Implications and Mitigation

The most significant risk arising from this report is the control and management of expenditure to provide the Health and Social Care services required for the Moray Area, within budget: in particular, in relation to the Older People budget.

(e) Staffing Implications

There are no direct implications in this report.

(f) Property

There are no property implications.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment is not required because there are no service, policy or organisational changes being proposed.

(h) Consultations

Consultation on this report has taken place with the Chief Financial Officer, HSCM Senior Financial Team, Commissioned and Internal services, Heads of Services and Locality Managers.

6 CONCLUSION

6.1 There is ongoing financial monitoring of this budget. The situation will continue be monitored at senior management level with ongoing reporting to the Senior Management Team.

Author of Report: Sean Coady, Head of Service, HSCM

Background Papers:

Ref: