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| Date | 9 November 2021 |
| Agenda Item | 12 |

Report to West Lothian Integration Joint Board

Report Title: 2021/22 Finance Update

Report By: Chief Finance Officer

| Summary of Report and Implications | |
|--|--|
| Purpose | This report: (tick any that apply). |
| | - seeks a decision <input type="checkbox"/> |
| | - is to provide assurance <input checked="" type="checkbox"/> |
| | - is for information <input checked="" type="checkbox"/> |
| | - is for discussion <input type="checkbox"/> |
| | The purpose of this report is to provide an update on the 2021/22 budget forecast position for the IJB delegated health and social care functions based on the month 6 monitoring exercise. |
| Recommendations | <p>It is recommended that the Board:</p> <ol style="list-style-type: none"> 1. Considers the forecast outturn for 2021/22 taking account of delivery of agreed savings 2. Notes the currently estimated financial implications of Covid-19 on the 2021/22 budget 3. Notes the new investment announced by the Scottish Government to help protect health and social care service delivery over the winter period and that further confirmation is required on the allocation of funding to IJBs |
| Directions to NHS Lothian and/or West Lothian Council | A direction is not required. |
| Resource/ Finance/ Staffing | The 2021/22 budget resources relevant to functions delegated to the IJB are £260.571 million. |
| Policy/Legal | None. |
| Risk | There are a number of risks associated with health and social care budgets, which will require to be closely managed. The financial risks resulting from Covid-19 will require to be closely monitored on an ongoing basis. |

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|---|---|
| Equality, Health Inequalities, Environmental and Sustainability Issues | The report has been assessed as having little or no relevance with regard to equality or the Public Sector Equality Duty. As a result, equality impact assessment has not been conducted. |
| Strategic Planning and Commissioning | The 2021/22 budget resources delegated to the IJB will be used to support the delivery of the Strategic Plan. |
| Locality Planning | None. |
| Engagement | Consultation with relevant officers in NHS Lothian and West Lothian Council. |

| Terms of Report | |
|------------------------|--|
| 1. | Background |
| 1.1 | This report sets out the overall financial performance of the 2021/22 IJB delegated resources and provides a year end forecast which takes account of relevant issues identified across health and social care services. |
| 1.2 | Reporting on the performance of delegated resources is undertaken in line with the IJB's approved financial regulations and Integration Scheme. Increasing demands coupled with constrained funding means that a partnership working approach through the IJB, NHS Lothian and West Lothian Council will be vital in ensuring health and social care functions are managed within available budget resources. |
| 1.3 | This will require ongoing changes to current models of care delivery over the coming years as it is widely acknowledged that continuing with all existing models of care provision will not be sustainable going forward. The IJB as a strategic planning body for delegated health and social care functions is responsible for working with the council and NHS Lothian to deliver services taking account of its Strategic Plan and funding resources available for health and social care functions. |
| 1.4 | This report also provides the latest estimate on additional cost pressures for the year as a result of the current pandemic. This continues to impact across the whole range of services and work on the disaggregation of Covid-19 costs, particularly across Health functions continues to be refined to ensure accurate information is provided at an IJB level. |
| 2. | Responsibility for In Year Budget Monitoring |
| 2.1 | Budget monitoring of IJB delegated functions is undertaken by Finance teams within the council and NHS Lothian who have responsibility for working with budget holders to prepare information on financial performance. This is in line with the approved West Lothian Integration Scheme which notes that when resources have been delegated via Directions by the IJB, NHS Lothian and West Lothian Council apply their established systems of financial governance to the delegated functions and resources. This reflects the IJB's role as a strategic planning body who does not directly deliver services, employ staff or hold cash resources. |
| 2.2 | Both NHS Lothian and West Lothian Council then provide the required information on operational budget performance from their respective financial systems, under the co-ordination |

of the IJB Section 95 officer, to provide reports to the Board on delegated health and social care functions.

- 2.3 In terms of in year operational budget performance, the approved West Lothian Integration Scheme notes that the council and NHS Lothian are ultimately responsible for managing within budget resources available. However, it is important that the IJB has oversight of the in year budget position as this influences the strategic planning role of the Board and highlights any issues that need to be taken account of in planning the future delivery of health and social care services. As a result, the Board has agreed that regular reports should be provided on financial performance of health and social care functions.

3. 2021/22 Summary Forecast Outturn for IJB Delegated Functions

- 3.1 Taking account of the latest monitoring position, the table below reflects the current 2021/22 year-end forecast position against budget.

| 2021/22 Forecast Outturn Position | Budget £'000 | Forecast £'000 | Variance £'000 |
|--|-------------------------|---------------------------|---------------------------|
| Core West Lothian Health Services | 117,877 | 116,675 | (1,203) |
| Share of Pan Lothian Hosted Services | 29,344 | 29,041 | (303) |
| Adult Social Care | 78,833 | 78,833 | 0 |
| Payment to IJB - Total | 226,054 | 224,548 | (1,506) |
| | | | |
| Share of Acute Set Aside | 34,517 | 35,861 | 1,344 |
| Total Delegated IJB Functions | 260,571 | 260,409 | (162) |
| | | | |

- 3.3 The table above shows that the current forecast is an underspend of £162,000 against IJB delegated functions for 2021/22. This position assumes that the costs of Covid-19 will be fully funded by the Scottish Government as in 2020/21. The forecast position in respect of Health functions includes the impact of the residual fourth year costs arising from the previous Agenda for Change pay agreement and the additional Health pay award for medical and dental staff. To date no additional funding has been provided by the Scottish Government to meet these costs. In terms of social care staffing, the outturn forecast is based on a 2% pay award assumption for 2021/22 although the uplift is still to be agreed with trade unions. Any award agreed in excess of 2% would have an adverse impact on the current year forecast if not funded by the Scottish Government.
- 3.4 It should be noted that at there is £1.114 million of unallocated IJB recurring budget uplift resources from NHS Lothian available in 2021/22. This allocation is currently offsetting pressures across Health service delivery to achieve the forecast overall £162,000 underspend and will be realigned to meet a number of these existing pressure areas. This is consistent with NHS Lothian and IJB financial plan assumptions which required this funding to be used to help meet pressures within IJB Health functions.
- 3.5 In core operating budgets, excluding the additional costs and funding related to Covid, both adult social care and the combined health services are anticipating that expenditure can be managed within budget resources available. This reflects assumptions made on Covid-19 funding and costs and also offsets in some areas of expenditure due to the pandemic.
- 3.6 Appendix 1 provides a further breakdown of the forecast outturn position and more detail is provided around Covid-19 costs and funding in section 4 below.

4. Covid-19 Costs and Funding

- 4.1 The current estimated full year additional expenditure linked to the West Lothian Mobilisation

Plan is £8.163 million for 2021/22, as per the Quarter 1 submission to the Scottish Government. The IJB holds reserves of £5.471 million carried forward from 2020/21 to be used against the ongoing costs of the pandemic and the Quarter 1 forecast therefore assumes that the Scottish Government will provide additional funding for the remaining £2.692 million.

It should be noted that acute costs resulting from the pandemic are included in the overall NHS Lothian Mobilisation plan, rather than the West Lothian plan, but part of the funding received for acute will be applied to meet acute costs delegated to the IJB.

4.2 At the time of writing, the Quarter 2 Mobilisation Plan submission is currently being finalised and an update on the forecast spend will be provided to the next meeting of the Board. A summary of the key areas of additional anticipated costs included in the West Lothian plan are as below.

- Additional Staffing Costs – this includes the recruitment of additional Homefirst / REACT staff to help prevent hospital admission and facilitate supported discharge, additional costs of social care staff to help ensure services are maintained across internal care at home and care homes, and additional support in the community for mental health concerns and to reduce the backlog of service referrals.
- Additional Prescribing Costs – this includes the impact of increased volumes and price increases directly due to the pandemic. The pandemic has had a significant impact on unit price and volume and this area will continue to be subject to close monitoring.
- Additional Support to Care at Home providers – this relates to increased hourly rate payments based on commissioned hours to cover costs resulting from COVID-19, such as staffing and PPE, and ensure providers are supported to remain financially sustainable.
- Additional Support to Care Homes – this reflects additional costs to external care homes to help ensure they are sustainable during the pandemic. Sustainability payments will cover additional provider costs linked to reduced bed occupancy, staff sickness, additional staffing, PPE and other costs as resulting from Covid-19.
- Reduced Care Income – non-residential care contributions are under budget in 2021/22 due to reduced capacity in day care and other chargeable services. Contributions from care home residents are also lower than budget this year.
- Unachievable Savings – delays due to Covid-19 in a number of savings and recovery plans have resulted in extra costs for 2021/22 which can be claimed through the Mobilisation Plan process.

5. Summary of Key Budget Pressures and Risks

5.1 Appendix 2 sets out the key 2021/22 budget risk areas that have been identified as a result of the budget monitoring undertaken to date and the current budget position in each. Highlights from each area are listed below.

5.2 Core West Lothian Health Services

These functions and resources relate fully to service areas directly under the operational management of the West Lothian Health and Social Care Partnership.

The main pressures for core services are in Mental Health (£445,000 overspend) due largely to locum staff being utilised to cover consultant vacancies, and in Prescribing (£822,000 overspend) due to a number of issues such as increases in unit costs, short supply, and increased volumes.

These are being fully offset by savings in Community Hospitals, District Nursing and through the remaining IJB uplift which is still to be allocated. This results in an overall underspend within core health services of £1.203 million.

5.3 Hosted Services

These functions and resources represent a share of Lothian Hosted services delegated to the IJB, the majority of which are operationally managed outwith West Lothian Health and Social Care Partnership.

Within hosted services, there is an overall underspend forecast of £303,000 for the year.

5.4 Adult Social Care

These functions and resources relate fully to service areas directly under the operational management of the West Lothian Health and Social Care Partnership. At this stage, a breakeven position is forecast for 2021/22.

The main pressure is in Internal Care Homes (£297,000 overspend), which is partly linked to the pandemic and reflects use of agency staffing, locum and overtime costs to cover vacancies and sickness absence, as well as lower than anticipated income from resident recoveries.

5.5 Acute Set Aside Services

These functions and resources represent a share of acute hospital services which although delegated to the IJB, are operationally managed outwith the West Lothian Health and Social Care Partnership. The forecast overspend for the West Lothian share of acute services is £1.344 million.

The main pressures are mostly due to the cost of staff cover and drug costs, which has affected General Medicine (£476,000 overspend), Gastroenterology (£330,000 overspend), and Respiratory Medicine (£321,000 overspend).

Nursing pressures around recruitment difficulties, sickness / absence and resulting requirement for bank and agency staff continue to be a key contributing factor. The ongoing use of medical locum and agency staff to provide necessary rota cover is also a key factor.

A number of strategic financial risks are also included in Appendix 2 which will continue to be updated as the financial year progresses and into 2022/23.

6. Approved Savings Relating to IJB Delegated Functions

6.1 As part of the 2021/22 budget contribution to the IJB from the council and NHS Lothian there are £5.788 million of budget savings identified. At this stage, the monitoring undertaken estimates that this will be substantially achieved (98% of savings forecast to be achieved). It also assumes that the delay in a small number of savings that is due to Covid-19 will be funded by the Scottish Government in the current year. The overall forecast position for the IJB takes account of the position on savings noted. The summary split of these savings is shown in the table below along with the actual level of savings considered to be achievable at this stage.

| 2021/22 Budget Savings | 2021/22 Budgeted Savings £'000 | 2021/22 Forecast Achievable £'000 | 2021/22 Variance £'000 |
|--------------------------------------|---|--|------------------------------|
| Core West Lothian Health Services | 1,501 | 1,400 | 101 |
| Share of Pan Lothian Hosted Services | 320 | 248 | 72 |
| Adult Social Care | 3,726 | 3,726 | 0 |
| Share of Acute Set Aside | 549 | 588 | (39) |
| Total Savings | 6,096 | 5,962 | 134 |

- 6.3 Appendix 3 provides further detail on the areas in which these savings are being delivered.

This represents good progress on the delivery of 2021/22 savings. NHS Lothian and West Lothian Council have established processes in place for monitoring and reporting on the delivery of savings and regular updates will be provided to the Board on progress with delivery of savings. To ensure a joined up overall health and social care approach to financial planning and the delivery of savings, the Chief Officer, Chief Finance Officer and other key officers will continue to review progress on delivery of overall West Lothian saving proposals.

7. Summarised Budget Position for 2021/22

- 7.1 Based on information available at this point, and taking account of Covid-19 funding and expenditure assumptions, an underspend of £162,000 is currently forecast for 2021/22. As noted, the financial implications of pay awards for 2021/22 are still to be confirmed and may impact on this position. The forecast outturn reflects the current position across Covid-19 costs and funding, and in the core operating functions of both adult social care and combined health services.

This position will continue to be closely monitored over the remainder of the financial year. Further work will be undertaken with partner bodies to refine and update estimates of the ongoing costs of Covid-19 and remobilisation.

8. Winter Planning for Health and Social Care

- 8.1 New investment in funding for winter planning and systems pressures across health and social care was announced by the Cabinet Secretary on 5 October 2021. This is in recognition that collectively across health and social care there has been very significant demand and that current pressures are likely to intensify over the winter period. The key measures with associated funding at a national level are summarised below and a joint letter from the NHS Scotland Chief Operating Officer and Director of Mental Health and Wellbeing is appended.

Multi-Disciplinary Working, including the recruitment of 1,000 Health and Care Support Staff – This includes up to £15 million for recruitment of support staff and £20 million to enhance Multi-Disciplinary Teams this year and recurring.

Providing Interim Care - £40 million has been confirmed for 2021/22 and £20 million for 2022/23 to enable patients currently in hospital to move into care homes and other community settings, on an interim basis, to ensure they can complete their recovery in an appropriate setting.

Expanding Care at Home Capacity – For 2021/22 £62 million has been confirmed for building capacity in care at home community based services. It is noted that this will be recurring funding to help meet unmet needs, deal with demands and help to ease pressures on unpaid carers.

Social Care Pay Uplift – Up to £48 million has been confirmed which is to enable employers to update the hourly rate of adult social care staff to at least £10.02 which is proposed to take effect from 1 December 2021.

8.2

Further smaller funding allocations have been confirmed for International recruitment of registered nurses and to help staff with practical wellbeing needs such as access to hot drinks, food and other measures to aid rest and recuperation and provide psychological support.

At the time of writing, the distribution of this funding to Health Boards, IJBs and local authorities is still subject to confirmation as is the level of full year recurring funding to be provided from 2022/23. A further update on the funding allocations confirmed for the IJB will be provided to the next meeting of the Board.

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| Appendices | <ol style="list-style-type: none"> 1. IJB 2021/22 Budget Update 2. IJB Finance Risk Update 3. Delivery of 2021/22 Budget Savings 4. Winter Planning for Health and Social Care – Scottish Government letter from NHS Scotland Chief Operating Officer and Director of Mental Wellbeing and Social Care |
| References | <ol style="list-style-type: none"> 1. West Lothian Integration Scheme |
| Contact | <p>Patrick Welsh, Chief Finance Officer, West Lothian Integration Joint Board</p> <p>Email: patrick.welsh@westlothian.gov.uk</p> <p>Tel. No: 01506 281320</p> |

WEST LoTHIAN INTEGRATION JOINT BOARD - 2021/22 MONTH 6 BUDGET UPDATE

| | 2021/22 Budget £'000 | 2021/22 Forecast £'000 | 2021/22 Variance £'000 |
|---|----------------------------|------------------------------|------------------------------|
| Core West Lothian Health Services | | | |
| Community Equipment | 1,150 | 1,205 | 55 |
| Community Hospitals | 1,821 | 1,305 | -516 |
| District Nursing | 4,808 | 4,045 | -763 |
| General Medical Services | 31,002 | 30,952 | -50 |
| Mental Health | 18,826 | 19,271 | 445 |
| Other Core | 16,685 | 16,604 | -81 |
| Prescribing | 35,876 | 36,698 | 822 |
| Unallocated IJB Uplift | 1,114 | 0 | -1,114 |
| Resource Transfer | 6,595 | 6,595 | 0 |
| Core West Lothian Health Services - Total | 117,877 | 116,675 | -1,203 |
| Share of Pan Lothian Hosted Services | | | |
| Hosted GMS | 6,406 | 6,435 | 29 |
| Hospices | 923 | 930 | 7 |
| Learning Disabilities | 3,162 | 3,175 | 13 |
| Lothian Unscheduled Care Service | 2,729 | 2,761 | 32 |
| Mental Health | 487 | 523 | 36 |
| Oral Health Services | 3,848 | 3,857 | 9 |
| Other Hosted Services | 803 | 744 | -59 |
| Psychology Service | 3,231 | 3,289 | 58 |
| Rehabilitation Medicine | 1,525 | 1,426 | -99 |
| Sexual Health | 1,458 | 1,423 | -35 |
| Substance Misuse | 710 | 703 | -7 |
| Therapy Services | 2,682 | 2,521 | -161 |
| UNPAC | 1,380 | 1,254 | -126 |
| Share of Pan Lothian Hosted Services - Total | 29,344 | 29,041 | -303 |
| Adult Social Care | | | |
| Learning Disabilities | 20,665 | 20,755 | 90 |
| Physical Disabilities | 7,407 | 7,421 | 14 |
| Mental Health | 4,258 | 4,267 | 9 |
| Older Peoples Assessment and Care Mangement | 33,333 | 33,170 | -163 |
| Care Homes and Housing With Care | 8,333 | 8,630 | 297 |
| Occupational Therapy | 1,692 | 1,445 | -247 |
| Support and Other Services | 3,145 | 3,145 | 0 |
| Adult Social Care - Total | 78,833 | 78,833 | 0 |
| PAYMENT TO IJB - TOTAL | 226,054 | 224,549 | -1,506 |
| Acute Set Aside | | | |
| Acute Management | 1,305 | 1,394 | 89 |
| Cardiology | 1,541 | 1,495 | -46 |
| Diabetes | 812 | 926 | 114 |
| ED & Minor Injuries | 6,604 | 6,636 | 32 |
| Gastroenterology | 3,032 | 3,362 | 330 |
| General Medicine | 7,337 | 7,813 | 476 |
| Geriatric Medicine | 5,885 | 5,947 | 62 |
| Infectious Disease | 1,751 | 1,656 | -95 |
| Junior Medical | 2,118 | 2,218 | 100 |
| Outpatients | 202 | 168 | -34 |
| Rehabilitation medicine | 637 | 669 | 32 |
| Respiratory Medicine | 2,184 | 2,505 | 321 |
| Therapies | 1,109 | 1,072 | -37 |
| Acute Set Aside - Total | 34,517 | 35,861 | 1,344 |
| TOTAL DELEGATED IJB FUNCTIONS | 260,571 | 260,410 | -162 |

Appendix 2

IJB Finance Risk Schedule

2021/22 Financial Risks

| Risk Area | Value of Pressure | Impact / Description |
|--------------------------------------|-------------------|---|
| Mental Health | £445,000 | The forecast overspend for Mental Health is as a result of using high cost locum staff to cover consultant vacancies along with cost pressures relating to new drugs. This will continue to be monitored going forward with the objective that this cost pressure will reduce as posts are recruited to. |
| Prescribing | £822,000 | The prescribing overspend shown is the estimated non Covid-19 related overspend. It is driven by a number of issues including cost and volume pressures. This is a volatile area of expenditure and arrangements are in place to ensure spend is closely monitored between Covid-19 and non Covid-19 related costs. |
| General Medicine | £476,000 | There is a significant forecast overspend for General Medicine. The overspend largely relates to nursing pressures in the main General Medicine wards within St John's Hospital driven by activity alongside nursing gaps being filled on a supplementary basis and cover for sickness. Additional staffing costs due to the pandemic along with increased drug costs are also contributing to higher costs in this area. |
| Gastroenterology | £330,000 | The forecast overspend for Gastroenterology is resulting from increased staffing costs and higher than anticipated drug costs |
| Respiratory Medicine | £321,000 | The Respiratory Medicine pressure reflects staffing pressures. Similar to other pressures this reflects use of agency and bank nursing and cover for sickness absence. |
| Internal Care Homes for Older People | £297,000 | There is a significant recurring overspend for Internal Care Homes for Older People. This is partly due to an ongoing pressure from the requirement to cover core vacancies, staff sickness and other absences. Work is continuing to be progressed to identify a sustainable solution to this problem including review of staffing levels. |

Appendix 2

Strategic Risks

| Risk Area | Impact / Description |
|----------------------|--|
| Covid Pandemic | The Covid pandemic impacts across the whole of Health and Social care with very significant implications for service delivery and associated financial consequences. There remains a great deal of uncertainty over how long the current situation will continue and how far reaching the long-term effects, including financial effects, of the pandemic will be. |
| Brexit | The UK left the European Union in January 2021. Material supplies and staffing shortages have become increasingly evident over recent months in the wider economy and any financial implications resulting will need to be considered as part of budget monitoring and medium-term financial planning. |
| Pay Awards / Costs | Health staff pay awards have been agreed for 2021/22 so there is a degree of certainty around costs for the current financial year although funding implications for medical and dental staff in particular require to be confirmed. However, council employed staff pay awards are still subject to negotiation with trade unions. Any pay awards agreed will require to be fully funded to avoid further budget pressures arising. |
| Workforce Planning | Effective workforce planning will be important to ensuring health and social care services are delivered effectively and efficiently. Updates on workforce planning for health and social care functions will be considered further in future updates to the IJB. |
| Future Years Savings | Financial sustainability will continue to be challenging moving into future years and it is likely there will continue to be challenging savings targets for future years. Failure to identify transformation and deliver savings will put additional pressure on the sustainability of overall service provision. The process of identifying further potential efficiencies to address any funding gap in future settlements is being progressed across the Health and Social Care partnership. |
| Demographic Growth | Estimates have been made regarding demographic growth for adults requiring care provision. West Lothian is anticipated to have the highest growth in the elderly population, particularly for over-75s. These demographic forecasts will result in increased financial pressure and it will be important that forecast assumptions are kept under review. |
| Contributions Policy | Income generated by the Contributions policy is directly related to the level of service being delivered to Service Users. Some of these services have been impacted by Covid 19 and this is likely to continue in the short to medium term, which may result in an increased shortfall in the income generated. |
| Living Wage | The 2022 Living wage is normally announced in November of each year. Any above inflationary increase will add additional financial burdens. It will be important that future living wage uplifts continue to be funded by the Scottish Government. |
| Prescribing | Prescribing continues to be a very volatile area with a number of significant risks. This area is particularly impacted by changes in supply and availability and will continue to be monitored closely throughout the year. |
| Mental Health | The demand for Mental Health services could be greater than the additional Scottish Government funding provided. Ongoing review of costs and funding in liaison with Scottish Government will be required going forward. Implications of the pandemic are being closely monitored. |
| Delayed Discharge | Management of the volume of delayed discharge will be essential going forward to enable new initiatives and deliver future reductions. The challenge in this area has become increasingly significant. Improvements will be dependent upon capacity being available in community care and managing demands resulting from Covid-19. |

WEST LOTHIAN INTEGRATION JOINT BOARD - 2021/22 MONTH 6 UPDATE ON DELIVERY OF SAVINGS

| | 2021/22 Budgeted Savings £'000 | 2021/22 Forecast Achievable £'000 | 2021/22 Variance £'000 |
|-------------------------------------|---|--|---------------------------------------|
| Social Care Savings | | | |
| New Models of Adult care | 622 | 622 | 0 |
| Eligibility Assessment / Technology | 2,643 | 2,643 | 0 |
| Income and Contributions | 160 | 160 | 0 |
| Staffing Efficiencies | 301 | 301 | 0 |
| | 3,726 | 3,726 | 0 |
| Health Savings | | | |
| GP Prescribing | 1,016 | 1,015 | 1 |
| Homefirst | 285 | 285 | 0 |
| District Nursing | 200 | 100 | 100 |
| Hosted Services Redesign | 320 | 248 | 72 |
| Acute Services Redesign | 549 | 588 | -39 |
| | 2,370 | 2,236 | 134 |
| Total | 6,096 | 5,962 | 134 |

Note

Although a small number of savings have been impacted in the current year, the above reflects that the savings delayed as a result of Covid-19 are anticipated to be achievable on a recurring basis



Local Authority Chief Executives

Chief Officers

Chief Social Work Officers

COSLA

Chairs, NHS

Chief Executives, NHS

Directors of Human Resources, NHS

Directors of Finance, NHS

Nurse Directors, NHS

By email

Dear colleagues,

Winter Planning for Health and Social Care

We are writing to confirm a range of measures and new investment being put into place nationally 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 social care systems.

This new investment of more than £300 million in recurring funding, as set out by the Cabinet Secretary for Health and Social Care in Parliament today (05 October 2021), is a direct response to the intense winter planning and systems pressures work that has taken place over recent weeks with stakeholders, including with health boards, local authorities, integration authorities, trade unions and non-affiliated staff-side representatives.

All of our winter planning preparations are predicated on four key principles:

1. *Maximising capacity* – through investment in new staffing, resources, facilities and services.

2. *Ensuring staff wellbeing* – ensuring that they can continue to work safely and effectively with appropriate guidance and line-management and access to timely physical, practical and emotional wellbeing support.
3. *Ensuring system flow* – through taking specific interventions now to improve planned discharge from hospital, social work assessment, provide intermediary care and increase access to care in a range of community settings to ensure that people are cared for as close to home as possible.
4. *Improving outcomes* – through our collective investment in people, capacity and systems to deliver the right care in the right setting.

Collectively, these principles are designed to ensure the action we take now has a lasting and sustainable impact. We are not just planning to build resilience in our health and social care systems to see us through this winter; we are also building on the approach to recovery and renewal set out in the NHS Recovery Plan and through our continued efforts to improve social care support.

It is understood that collectively we continue to face significant demand across services and that current pressures are likely to further intensify over the winter period. We are grateful to you and your colleagues across the NHS, social work and social care who are working tirelessly to help us navigate through the on-going pandemic and to manage current demands.

You will already be aware that the NHS in Scotland will remain on an emergency footing until 31 March 2022. In connection with this, we are actively examining how we manage the volume of work connected with staff governance, staff experience and some on-going programmes of work over the winter period. This may include temporarily slowing or suspending some programmes – but this does not mean that the Scottish Government is no longer committed to completing those programmes. We are particularly mindful of the pressure on employer and staff time and wish to engage with you on how we manage work programmes that are not directly related to relieving winter service pressures, to enable us to support the objectives of maximising capacity and supporting staff wellbeing and, at the same time, progressing other Ministerial priorities.

The suite of new measures, and the actions now required of health boards, and in partnership with integration authorities and Local Authorities, is supported by significant new recurring investment. Further specific information on allocations to be made to individual areas will be provided to NHS Directors of Finance and IJB Chief Finance Officers in the coming days. Further discussions on Local Authority distribution mechanisms will take place urgently.

It is critical that we continue to work together to make progress at pace and we would like to offer our sincere thanks in advance for your collective efforts in implementing the suite of measures set out immediately below.

Multi-Disciplinary Working, including the recruitment of 1,000 Health and Care Support Staff

We are providing recurring funding to support the strengthening of Multi-Disciplinary Working across the health and social care system to support discharge from hospital and to ensure that people can be cared for as close to home as possible, reducing avoidable admissions to hospital. This includes up to £15 million for recruitment of support staff and £20 million to enhance Multi-Disciplinary Teams (MDTs) this year and recurring.

These MDTs should support with social work and care assessment, hospital-to-home and rapid response in the community. MDTs may encompass:

- Integrated assessment teams to discharge people from hospital with care and support in place, working in partnership with unpaid carers;
- Enabling additional resources for social work to support complex assessments, reviews and rehabilitation, as well as AWI work;
- Ensuring that people at home or in care homes have the most effective care and that care is responsive to changing needs;
- Rapid-response community MDTs to facilitate diversion away from GPs, Out of Hours services (OOH) and the Scottish Ambulance Service (SAS) into the community; and,
- Scaling up Hospital at Home to prevent or avoid admissions.

To further support this work, we are asking territorial health boards to recruit 1,000 new health care support workers, with a specific focus on Agenda for Change bands 3 and 4, immediately, to provide additional capacity across a variety of services both in the community and in hospital settings. Boards are also able to recruit to new band 2 roles in acute settings and to support progression of existing staff into promoted posts. These roles will support hospital services as well as support social care teams to enable discharge from hospital. Boards are asked to recruit staff to assist with the national programme of significantly reducing the number of delayed discharges.

It is essential that all of this increases capacity within local community systems and we are mindful that recruitment may inadvertently move staff from other sectors including Care at Home services and care homes. Decisions – including the decision to recruit new staff to MDTs – should be made in active consultation with H&SCP Oversight Groups, which have been stood up to manage community demand and the deployment of resources.

Boards should note that there will be a national recruitment campaign for social work and social care which will link in with activity being undertaken by Local Authorities.

Full details of the expected volume of staffing that each territorial board is expected to recruit, is set out at Annex A. It is expected that recruitment activity should be commenced immediately.

The Scottish Government has already provided £1 million of funding in-year across NHS Scotland to build capacity within recruitment teams and national health boards have offered to provide mutual-aid to territorial boards to manage new volume recruitment. Health boards have the flexibility to use recruitment agencies to assist with any aspect of the recruitment process.

NES has offered support with training and upskilling including residential fast-track induction in partnership with GJNH. This can take the form of developing 'Once for Scotland' induction and statutory and mandatory training at pace to allow mutual aid between boards on statutory and mandatory training and potential centrally coordinated Hub and Spoke training provision where boards would find this helpful.

Providing interim care

£40 million for 2021/22, and £20 million for 2022/23 has been provided to enable patients currently in hospital to move into care homes and other community settings, on an interim basis, to ensure they can complete their recovery in an appropriate setting. This is likely to be for a period of up to six weeks through an expedited process. Local teams will work with people and their families to explore options, maintaining choice and control. Multi-disciplinary teams will provide support to people in these interim settings to ensure they receive high quality, responsive healthcare and rehabilitation. Consent will, of course, be sought before discharge from hospital and safe clinical pathways, aligned with public health advice and guidance must be adhered to. Any placement is expected to be in their immediate locality or other suitable location. There will be no financial liability for the individual or their family towards the costs of the care home.

The offer of an interim placement should be made when the HSCP are unable to provide an appropriate care at home package immediately, or when the first choice care home is temporarily unavailable. A clear care plan for this period of interim care needs to be in place, with an agreed date for the placement to end, set out before the placement begins.

Expanding Care at Home capacity

£62 million for 2021/22, has been allocated for building capacity in care at home community-based services. This recurring funding should help to fulfil unmet need, and deal with the current surge in demand and complexity of individual needs, also helping to ease pressures on unpaid carers.

Therefore, this funding should be spent on:

- i. **Expanding existing services**, by recruiting internal staff; providing long-term security to existing staff; Enabling additional resources for social work to support complex assessments, reviews and rehabilitation; commissioning additional hours of care; commissioning other necessary supports depending on assessed need; enabling unpaid carers to have breaks.
- ii. **Funding a range of approaches to preventing care needs from escalating**, such as intermediate care, rehabilitation or re-enablement and enhanced MDT support to people who have both health and social care needs living in their own homes or in a care home.
- iii. **Technology-Enabled Care (TEC)**, equipment and adaptations, which can contribute significantly to the streamlining of service responses and pathways, and support wider agendas.

Social Care Pay Uplift

Up to £48 million of funding will be made available to enable employers to update the hourly rate of Adult Social Care Staff offering direct care. The funding will enable an increase from at least £9.50 per hour to at least £10.02 per hour, which will take effect from 1st December 2021. This funding is critical to support retaining and recruiting staff in the sector and to alleviate the immediate pressures in Social Care and NHS/ Community based health services.

COVID-19 Financial Support for Social Care Providers

The Scottish Government will continue to fund additional COVID-19 costs relating to remobilisation and adhering to public health measures, and the Social Care Staff Support Fund, until 31 March 2022. From 1 November 2021, the non-delivery of care and under-occupancy elements of financial support will only be available in exceptional circumstances where services are impacted for a sustained period due to COVID-19 outbreaks or following COVID-19 related Public Health guidance.

Nationally Coordinated Recruitment in Specialist Areas of Need

We know there are specific workforce shortages where Boards individually have struggled to achieve the numbers of workforce that they need. The Scottish Government is already providing marketing support for a nationally coordinated recruitment campaign for six Health Boards to deliver more midwives, predicated on a model developed for the nationally coordinated recruitment earlier this year of public health consultants, which was very successful.

In addition to this, we will make available national marketing support for Band 5 recruitment across the Health Boards. In particular, we will take forward a marketing campaign for Band 5 nurses working in community health and social care. We will request shortly from you the number of vacancies you aim to fill and will work with you to agree the next stages of this process.

We have also approved funding to extend the my jobs Scotland recruitment website until March 2022 to all third and independent sector organisations, which will mean that all social care vacancies can be advertised at no additional cost to providers on one platform. We will be running a national marketing campaign to attract more people to the sector, focusing on social media, working with schools and colleges and linking to the work we're doing with the SSSC and NES on career pathways and learning and development.

International Recruitment

We know international recruitment is a useful lever to alleviate pressures and as such are supporting Boards to increase the use of international recruitment through a number of measures. The Scottish Government has provided new recurring funding of £1 million to develop capacity within recruitment teams to support international recruitment. A readiness checklist for international recruitment has also been shared with boards to allow self-assessment and identification of priority areas for action.

The development of partnerships with a range of agencies such as Yeovil District Hospital Trust has been established to build a pipeline supply of international staff. A Memorandum of Understanding is available for use by Boards to engage the services of Yeovil District Hospital Trust. We now require that Boards nationally work towards the recruitment of at least 200 registered nurses from overseas by March 2022.

To support this, in year funding of £4.5 million has been identified to offset direct recruitment costs and can be used to support prospective candidates, including the provision of temporary accommodation for incoming recruits, and other reasonable out-of-pocket expenses.

We are also establishing OSCE training provision and training support in Scotland which will offer a comprehensive training programme either directly to Boards or as facility to train local trainers to prepare candidates to sit their OSCE exam to gain NMC registration. This will expedite the process of gaining NMC registration and significantly reduce the burden of training and preparing a candidate to Boards.

In addition, we are establishing the NHS Scotland Centre for Workforce Supply based in NES to identify further labour markets, build relationships with a range of recruitment agencies, promote the use in Scotland of Government to Government agreements for international recruitment and support Boards and candidates where appropriate with on-boarding.

We will make contact with Board HR teams in the coming weeks to receive an update on the use of the funding provided and the plan to accelerate readiness to commence international recruitment.

Professional Regulators' Emergency Covid-19 Registers

The Scottish Government's chief health professions officers, including the Deputy Chief Medical Officer, Deputy Chief Nursing Officer, Chief Allied Health Professions Officer and Chief Pharmaceutical Officer wrote on 27 September to remaining registrants on the professional regulators' emergency Covid-19 registers. This communication encourages registrants to apply for vacancies on the NHS Scotland Jobs website and, where relevant, to consider returning to service via Board staff banks.

This communication has been issued in anticipation of further challenges in the upcoming winter months, to encourage experienced professionals to return and support services in their area of expertise.

We hope that this approach of directing emergency registrants to live vacancies will attract suitable candidates to professional opportunities, based on your current and future staffing needs. Boards are asked to consider how retirees might be flexibly deployed. Many are unlikely to be able to return to full-time work, but can be deployed on a part-time basis, or via Board staff banks across areas of need.

Healthcare Students

The utilisation of the skills and experience of healthcare students has been an important step in addressing some of the workforce challenges. Whilst the Scottish Government does not believe it is appropriate to disrupt healthcare students' programmes through authorising full-time student deployment at this time, we do believe the deployment of healthcare students (apart from dental students) in appropriate part-time support roles will be beneficial to support boards' workforce capacity.

A national offer via an open letter has been made to healthcare students – including nursing, midwifery, AHP students and undergraduate medics – through their colleges and universities signposting them to the availability of 3 or 6 month Less Than Full Time Fixed Term Contracts (LTFTFTC), with their nearest health board.

A Director's Letter, reaffirming the policy arrangements set out in the Director's Letter 02/2021 will be issued and will provide further detail on the employment and deployment of students.

Wellbeing

Of significant importance is the wellbeing of our health and social care workforce, wherever they work, and this remains a key priority. We are working to ensure that the right level of support is offered across the system.

We are actively listening to colleagues to understand where the pressures are and what actions can be taken to mitigate the resulting impact on staff. Now, more than ever, it is critical that staff look after staff wellbeing and take the rest breaks and leave to which they are entitled, as well as being given time to access national and local wellbeing resources at work.

We are committed to ensuring we collectively provide the strategic leadership and oversight of staff wellbeing. An immediate priority is to address people's basic practical and emotional needs, and we are also developing further practical support measures and additional resources for Boards as you respond to winter pressures.

In support of that ongoing engagement, £4 million is being made available in this financial year to help staff with practical needs over the winter, such as access to hot drinks, food and other measures to aid access to rest and recuperation, as well as additional psychological support. £2 million of this funding will be made available immediately, with the remainder being allocated following the conclusion of ongoing discussions with staff-side representatives and employers to understand how the investment can best support staff welfare needs.

Finally, we appreciate the pressure our services are facing and once again reiterate our gratitude for the hard work and dedication of all our colleagues across the health and social care sector for all they do to support us through this challenging period.

Yours sincerely,

John Burns
Chief Operating Officer,
NHS Scotland

Donna Bell
Director of Mental Wellbeing
and Social Care

Annex A

Volume of Staffing – NRAC Share

| Allocations by Territorial Board 2021-22 | | |
|--|--------------|------------|
| | Target share | NRAC Share |
| NHS Ayrshire and Arran | 7.38% | 74 |
| NHS Borders | 2.13% | 21 |
| NHS Dumfries and Galloway | 2.99% | 30 |
| NHS Fife | 6.81% | 68 |
| NHS Forth Valley | 5.45% | 54 |
| NHS Grampian | 9.74% | 97 |
| NHS Greater Glasgow & Clyde | 22.21% | 222 |
| NHS Highland | 6.59% | 66 |
| NHS Lanarkshire | 12.27% | 123 |
| NHS Lothian | 14.97% | 150 |
| NHS Orkney | 0.50% | 5 |
| NHS Shetland | 0.49% | 5 |
| NHS Tayside | 7.81% | 78 |
| NHS Western Isles | 0.67% | 7 |