

**Health and Sport Committee: Health Board Survey 2020****Budget Scrutiny: Health Boards**

1. Which Health Board are you responding on behalf of?

NHS Lothian

2. Please state your **revenue** budget as at the start of the financial year

£1,540,488k

3. Please confirm any revisions to your **revenue** budget, indicating:

(a) Changes due to additional COVID-19 funding (split between health and social care)

(b) Changes for other reasons (please provide details)

	<b>Revenue budget £m</b>
Initial position (as agreed pre-Covid)	1,540.49
Additional COVID-19 funding – health	2.08
Additional COVID-19 funding – social care (includes Living Wage allocation)	9.04
Other changes (please detail below)	22.74
<b>Revised budget position</b>	<b>1574.35</b>

**Breakdown of other changes**

	<b>£m</b>
Unitary Charges	21.89
Support IVF Services	0.64
Various small allocations	0.22
	<b>22.74</b>

4. Please provide details of how additional COVID-19 funds have been used. Please include details of funding transferred to local government for

integration authorities and additional health board contributions to integration authorities.

To date £11.12m of additional COVID-19 funds have been received by the health board, of which £9.04m has been transferred to the Integration Authorities (IAs). Of the funds transferred £1.6m is a contribution to the national agreement of 3.3% uplift on care provider contracts. The balance of £7.4m is being utilised by the IAs to support sustainability payments to care homes and the additional care home bed capacity.

The additional £2.08m of funding provided to health has been allocated to CHAS and St Columba's to support their Hospices, recognising their loss of income since the start of the pandemic. The contribution to CHAS of £1.3m is on behalf of NHS Scotland as Lothian is the lead health board.

5. As a result of the pandemic, please indicate:

a. The main three areas of additional spending

1) **Additional Workforce £18.7m** - The most significant additional costs incurred over the first quarter have been in relation to workforce, mainly for Nursing staff. The additional Nursing costs of £12m are comprised of student nurses and those returning on fixed term contracts; bank & agency staff covering COVID areas/backfilling for COVID related sickness and those shielding; and overtime to substantive staff for working in COVID areas.

	<b><u>£m</u></b>
Student & Fixed Term Contracts	5.0
Overtime/Extra Hours	2.0
Agency Costs	0.5
Bank Staff	<u>4.5</u>
	<b><u>12.0</u></b>

The use of bank and agency has significantly reduced in recent months as the student workforce came on stream. There is a process now underway to manage any extensions to original fixed term contracts and recruitment to existing vacancies. It is therefore envisaged that the level of additional Covid-19 staffing costs will reduce in the coming months.

Other significant staffing expenditure includes £3m relating to additional medical staffing input and £2m for support services, including domestics, portering and transport.

2) **GP Prescribing £2.6m** - Although the spike of activity that was experienced in March appeared to have been recovered in relation to the volumes being reported, the actual price per item for April is

significantly higher than estimated, causing a £2.6m year to date overspend. This is a similar picture to the rest of Scotland and is subject to review.

- 3) **GP Payments £2.9m** – Initial payments made to GPs as part of the national agreement, the payments were to compensate for remaining opening during public holidays and additional costs such as deep cleaning and PPE.

Work is in progress to verify spend and collate information from the practices relating to the additional costs incurred. Based on information received to date, NHS Lothian practices look to have incurred costs above the level allocated.

b. The main three areas of reduced spending

- 1) **Medical Supplies** – The biggest reduction in spending has been in medical supplies. The impact of the suspension of planned scheduled care has meant that theatre utilisation has been minimal and accounts for accounts for an approx 37% reduction in Medical Supply Spend based on previous years trends.
- 2) **Drugs** – Again relating to the impact of minimal Scheduled Care activity, drug spend is currently averaging a 20% reduction in expenditure. However, there is work ongoing looking at potential drug switches to avoid the need for appointments or increased homecare that may have a cost impact going forward in drug expenditure.
- 3) **Maintenance Costs** – These are showing a 25% reduction in expenditure on previous years' trends as ongoing maintenance programmes were put on hold and only urgent repairs undertaken.

6. Of the areas identified in Q5, do you anticipate that any changes in service delivery will lead to longer-term changes in spending? Please provide brief details, including details of anticipated annual savings or additional costs associated with each change. (200 words max for each change)

The Board is currently working to meeting internal and Scottish Government timetables for the Quarter 1 Review, which will provide greater clarity on the forecast 20/21 outturn. This will take into account:

- **Mobilisation** costs, identified and reported through the Local Mobilisation Plan (LMP) and summarised as part of the answer to Q5 above.
- The impact of **Remobilisation** of services, which may require some longer term changes in spending to deliver this activity, including additional workforce costs, cleaning requirements or managing physical distancing.

Additional capital expenditure may also be required to support remobilisation.

- Additional costs to progress **Recovery**, which is likely to require additional investment in excess of currently available resource. This may include recurring and non recurring investments in internal capacity as well as use of the independent sector.

Investment in **digital infrastructure** underpins both Remobilisation and Recovery (as well as the opportunity to Redesign and transform services), and will require capital and recurring revenue investment to support. The Board is currently developing business cases to explore phasing and prioritisation of options and anticipated benefits. We will continue to work with the Scottish Government to ensure this aligns with national priorities.

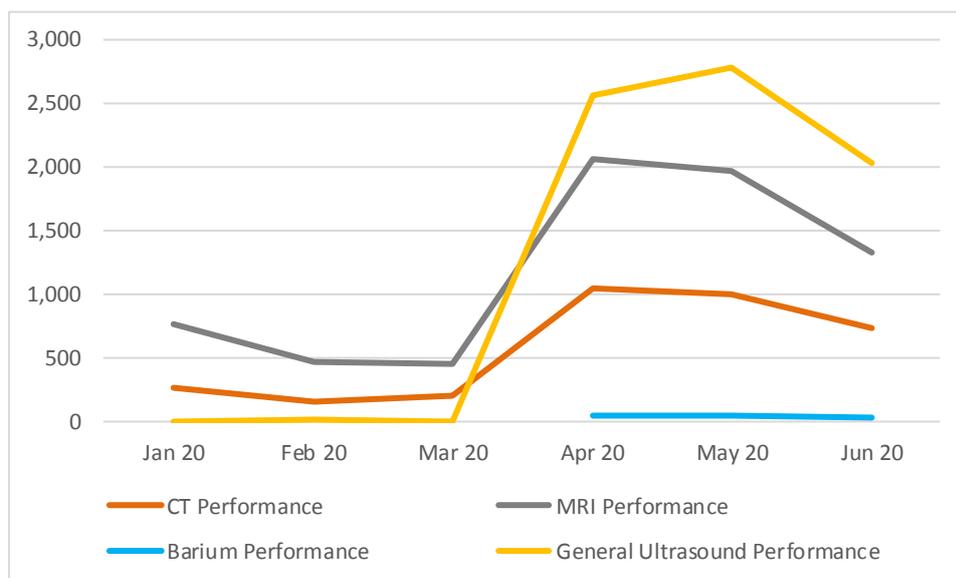
7. Which of your performance indicators have been most negatively impacted by the pandemic, and what is the projected effect on their trajectory for the coming year? Please list **three** indicators, showing their expected performance in 2020-21, compared with pre-Covid plans.

As of the writing of this submission we are in the process of finalising our plans for the remainder of the 2020-21 year. Given the number of “known unknowns” regarding the spread and prevalence of COVID-19, and in particular regarding nosocomial spread, it is not possible to use the same methodology for calculating trajectories as we historically have. We are working with our services and with other partners such as the Golden Jubilee National Hospital, and the independent sector, to see how we can maximise the level of activity we undertake.

The most adversely-impact areas have been;

- **Outpatient** target – patients to wait no longer than 12 weeks from referral to appointment. The Lothian system had reduced the number waiting over 12 weeks from approximately 25,000 by approximately 1/3rd by the beginning of the pandemic. As at 22nd July the total Outpatient waiting list was 57,186, of which 39,681 had been waiting over 12 weeks (69%);
- **Treatment Time Guarantee** for inpatient and daycase treatment. We were on trajectory to have just over 2000 patients wait beyond 12 weeks as at the end of March. As at 22nd July the total waiting list for inpatient and daycase treatment was 13,415, of which 10,328 have waited beyond 12 weeks (77%);
- **Diagnostic** tests, in particular imaging tests. Performance data for June is summarised in the table below, and for Radiology in the following graph.

	June '20 > 6weeks
Gastroenterology Diagnostic	3,850
Flexible Cystoscopy	846
CT Performance	743
MRI Performance	1,329
General Ultrasound Performance	2,031



8. When would you expect performance in these areas to recover and what action / spending will be required? (Please provide a brief description for each of the indicators listed at Q7.)

As yet, it has not been possible to fully understand how we will size this, for the reasons listed above. All Boards are currently working on Remobilisation plans to set out what can be achieved. However for many aspects of the Board's scheduled care performance this will require access to additional capacity outwith NHS Lothian given the Boards capacity constraints. We will also require to understand the level of resources available to the Board, both in the current year and beyond.