

To: Renfrewshire Integration Joint Board

On: 31 July 2020

Report by: Chief Finance Officer

Heading: Financial Implications of COVID-19 on Delegated IJB Budget

Direction Required to Health Board, Council or Both	Direction to:	
	1. No Direction Required	X
	2. NHS Greater Glasgow & Clyde	
	3. Renfrewshire Council	
	4. NHS Greater Glasgow & Clyde and Renfrewshire Council	

1. Purpose

- 1.1. The purpose of this report is to outline the current estimated financial impact on the IJB's delegated budgets, arising from the COVID-19 pandemic.
- 1.2. Members should note, that as highlighted throughout this report, the financial implications for the IJB will become clearer over time, as the impact and magnitude of the pandemic on the Health and Social Care Partnership's (HSCP) services emerges.
- 1.3. Scotland, in common with all parts of the UK, entered lockdown on 23 March 2020. A range of constraints were implemented, then strengthened through legislation (the Coronavirus (Scotland) Act 2020), and the Health Protection (Coronavirus) (Restrictions) (Scotland) Regulations 2020. Under law, this is reviewed at least every three weeks which ensures the impact of restrictions remains proportionate to the threat posed to wider societal and economic aspects. In addition, the Coronavirus (Scotland) (No.2) Bill became an Act on 26 May 2020.
- 1.4. Despite the four nations entering lockdown at the same point, relaxation of lockdown conditions is now proceeding at a different pace across the UK with Scotland maintaining full lockdown prior to announcing their route map on 21 May, with the implementation of each Phase being determined by reductions in the rate on infection and the ability of the health and social care system to manage future infection peaks.
- 1.5. The financial consequences of the pandemic are expected to be significant in the short term, with unprecedented financial interventions made by national governments to support the immediate COVID-19 response, the economy and businesses. It is therefore inevitable that the economy across the UK and Scotland will experience the severest economic decline in modern history. In addition, it is likely that the period of recovery will take considerably longer than initially forecast, with the Bank of England suggesting that it will take at least

until summer 2021 to recover the lost economic output. However, it is recognised that there is a high risk that the recovery may indeed take considerably longer than this, with longer lasting economic damage to some sectors taking longer to recover than others.

- 1.6. The scale of government intervention which has been required to support the economy will inevitably have both short, and, longer term implications for public finances across the UK and Scotland. This may therefore require the IJB to reconsider its 2020/21 budget and potentially reassess its medium-term financial planning as the full impact of the pandemic becomes clearer in the months ahead and as the IJB takes forward its Recovery and Renewal Planning Programme.
- 1.7. This report provides an initial estimate of the financial impact of the COVID-19 pandemic in the current financial year, members should however note that this position will be subject to change as the year progresses and greater clarity transpires.

2. Recommendations

It is recommended that the IJB:

- Note the current financial assessment of the potential revenue consequences of the COVID-19 pandemic along with the anticipated disruption to the IJB's planned savings in 2020/21 as outlined in Section 4 and 5 of the report;
- Note that the funding confirmed to date is significantly less than the estimated additional costs to the IJB;
- Note that the financial impact of responding to the pandemic may continue to increase over the coming months as more increasing and changing demands are placed on the IJB;
- Agree to the Chief Finance Officer's (CFO's) recommendation in Section 7, that the Chief Officer, develops a range of proposals for the IJB's consideration, which will support the IJB's ability to deliver a balanced budget in 2020/21 and which will support a refreshed medium-term financial plan;
- Note that further updates on the developing financial position will be provided to the IJB on a regular basis as material developments emerge;
- Agree the CFO's recommendation in Section 6.12, that the Chief Officer writes to the Cabinet Secretary of Health and Sport to seek a commitment of funding for the additional expenditure already incurred, and the anticipated future expenditure as detailed on the local mobilisation plans to allow the IJB to fund the level of financial support requested from its suppliers to protect their sustainability, and ensure the financial sustainability of the IJB.
- Agree the CFO's recommendation in Section 6.13 that sustainability payments are not made until the partnership receives confirmation of funding from the Scottish Government.

3. 2020/21 IJB Delegated Budget

- 3.1. At its meeting of 20 March 2020, the IJB agreed to accept the delegated Adult Social Care Budget for 2020/21 and to delegate responsibility for the Chief

Officer in consultation with the Chair, to accept the 2020/21 delegated health budget subject to the expected uplift of 3%, reflecting the Board's uplift for 2020/21 (including any final adjustments in relation to recurring budget adjustments at month 12). Members are reminded that the indicative budget agreed by the IJB on 20 March 2020 assumed "business as usual", with no provision made for the potential financial and economic impact of COVID-19.

- 3.2. NHSGGC's draft Financial Plan for 2020/21 was presented to the NHSGGC Board in February 2020 and an updated version was due to be presented at the April 2020 Board meeting for final approval. However, due to the COVID-19 pandemic, NHSGGC's Operational Plan has been suspended and both it and the supporting Financial Plan will require to be reviewed in light of the COVID-19 pandemic. This delay means that the IJB is still awaiting formal notification of its 2020/21 delegated Health budget allocation.
- 3.3. The COVID-19 response has impacted significantly on the delivery of the HSCP's services and is expected to have financial implications for the financial years 2020/21 and 2021/22 as a minimum. Additional governance was established at the outset of our response to the pandemic to manage COVID-19 related spend, and financial updates are provided on a monthly basis to the Scottish Government, having initially been provided weekly.
- 3.4. The fluid nature of this situation means that uncertainty remains over the HSCP's financial position. The extent to which costs incurred will be covered by the Scottish Government remains unclear and future spikes in demand for services whether as a result of an increase in infection rates or through the return of 'pent-up' demand will create additional pressures. Consequently, previously agreed savings plans, and transformational activity will require ongoing review and realignment.
- 3.5. Members are reminded that the IJB's delegated budget for 2020/21 is underpinned by savings of £2.619m. However, since the approval of the budget on 20 March 2020, the COVID-19 pandemic has significantly impacted HSCP financial planning activity and our ability to deliver the approved savings for 2020/21 as part of our transformation programme to secure a balanced budget for 2021/22.

4. Responding to the COVID-19 pandemic

- 4.1. The challenge faced by Renfrewshire HSCP and its partner organisations (and all HSCPs across Scotland) in responding to the COVID-19 pandemic is unprecedented and required a significant degree of service change within a short period of time. Some of these service changes are likely to continue over the medium term, and at least over the next few financial years. We need to continuously review our service models to reflect service user need, alongside what can be safely delivered. As part of this work, where effective, innovative ways of working have been introduced as part of the rapid changes we made, we must evaluate these to ensure they are outcome focused and are sustainable models in the longer term. This should involve wider stakeholder engagement – which was not possible as we responded to the pandemic.
- 4.2. In response to the pandemic, Renfrewshire HSCP implemented a clear and structured approach to mobilisation and the implementation of service changes,

led by the Local Response Management Team consisting of senior management and representatives from the staff partnership (trade unions). In addition to significant service change, the COVID-19 response has had a significant impact upon the partnership's transformational plans.

- 4.3. Prior to the COVID-19 pandemic, Renfrewshire HSCP was implementing a transformation programme focused on delivering a community response to improving health and wellbeing, and an internal organisational review. As part of the HSCP's response, early in March 2020, it was decided to pause transformational activity to enable all resources to be focused on delivering frontline services. As the wider context develops, transformation plans will require review and refresh and savings plans will need to be re-profiled and realigned.

5. Medium-Term Financial Plan

- 5.1. Renfrewshire IJB approved its first Financial Plan in September 2017, setting out the challenging financial outlook facing the IJB and providing the foundations for the determination of budget savings which would be required within the context of ongoing external uncertainty (for example the impact of Brexit) and ongoing financial constraint.
- 5.2. Work was undertaken in early 2019/20 to update the assumptions and projections outlined within this plan, and the IJB approved a revised Medium-Term Financial Plan (MTFP) 2020/21 to 2024/25 in November 2019 which outlined the financial challenges and opportunities the HSCP faces over the next 5 years, and providing a framework for the HSCP to remain financially sustainable.
- 5.3. A range of key assumptions were used to develop the MTFP, which are subject to a significant degree of uncertainty. Reflecting this context, four scenarios are modelled within the plan (low, medium, high and worst case), to determine a range of possible outcomes which may occur. The most recent review in March 2020, which was undertaken in the context of delayed Scottish Government and UK Government budget announcements, identified a net budget gap of £9m to £19m between 2021/22 and 2023/24 which the IJB will need to address.
- 5.4. However, the above projections did not consider the impact which the COVID-19 pandemic has had and will continue to have on Renfrewshire IJB's financial position. The full extent of this impact is inherently uncertain and will not be clear until the next financial year. As outlined in paragraph 3.5, the 2020/21 budget is underpinned by £2.619m savings. However, as highlighted earlier in this report, existing savings proposals are unlikely to be delivered in full in financial year 2020/21, and, both service budgets and savings plans will need to be continually reviewed as the COVID-19 situation progresses. Ultimately, this means that a step-change in the HSCP's approach to service change and improvement will be absolutely essential over the coming years.
- 5.5. The IJB agreed the adoption of a two-tier approach to delivering its financial strategy, focusing on the continued delivery of short-term savings alongside medium-term transformation of the way in which Renfrewshire HSCP operates:

- Tier 1 savings derived through ongoing efficiencies and furthering integrated working within 2020/21, however, as noted above, delivery of these will be subject to the ongoing COVID-19 response requirements; and
- Tier 2 savings to be delivered by 2024 through the creation of a transformation programme within the HSCP, building on the progress made to date through Change and Improvement work. The long-term impact of COVID-19 will however play a significant role on how we deliver our transformation programme including the ability to make significant cost reductions within tight timescales.

5.6. In March 2020, the IJB approved the HSCP's four guiding principles for transformation. These principles are:

- We share responsibility and ownership with our communities;
- We take a person-led approach to public health and wellbeing;
- We provide realistic care; and
- We deliver the right services at the right time and in the right place.

5.7. The delivery of the HSCP's Transformation Programme and agreed savings to be achieved within financial year 2020/21 were predicated on the continued delivery of existing service reviews and the wider implementation of the HSCP's Transformation Programme. However, as highlighted above since March 2020, all transformational activity has been paused by the HSCP, to enable focus on the delivery of critical and essential services during the pandemic.

5.8. As highlighted earlier in paragraph 4.3 of this paper, our formal Transformation Programme has been paused. Our Recovery Planning Programme will now replace the former Transformation Programme (this is the subject of another paper to this meeting). It will continue to have the same overarching objectives of the Transformation Programme, however, the delivery approach and scale of what needs to be delivered will need to change to reflect COVID-19 and the changing financial position.

5.9. The Recovery Planning Programme will reflect the learnings of our COVID-19 response, which, out of necessity accelerated many of the Transformation Programme's guiding principles eg digital, community empowerment. It will build on the good work done during COVID-19, including investment in digital, but will reflect new challenges and financial pressures e.g. sustainability of care homes and care providers; expected increases in health inequalities, PPE requirements and increased mental health referrals.

5.10. It is hoped that moving into 2021/22 the financial impact would to an extent return to normal financial planning levels, however, given the likelihood of the longer term impact on the economy as a whole and the delay in the delivery of approved savings, the IJB's financial position will remain subject to a number of varying scenarios.

6. **Impact of COVID-19 on 2020/21 Budget**

6.1. As highlighted throughout this report, the HSCP's response to mitigating against the impact of COVID-19 and the uncertainty and challenges arising from this

situation are unprecedented and will continue to impact beyond the next financial year, the extent of which will become clearer as financial year 2020/21 progresses.

6.2. To manage this effectively, additional financial governance has been implemented and will remain in place for the foreseeable future to ensure effective control over COVID-19 related spend, supported by ongoing engagement with partners and Scottish Government. This includes:

- COVID-19 spend approval forms to enable the separate tracking and management of spend incurred in the COVID-19 response;
- The regular completion of financial reporting at an NHSGGC and Scottish Government level;
- In recognition of the challenges faced by providers, the HSCP allowed the relaxation of contract specifications to enable flexibility in service delivery. Reasonable additional costs incurred by providers in their COVID-19 response will also be paid in line with Scottish Government guidance; and
- Establishment of a Recovery Programme steering group to ensure a clear governance structure and control.

6.3. Additional uncertainty remains over the HSCP's financial position due to:

- The continually changing situation and uncertainty over the extent of costs incurred which will be funded by the Scottish Government; and
- The potential for future spikes in demand for services which could create additional delivery and financial pressures; and
- The financial sustainability of our external providers including the third sector; and
- The unknown impact of the Brexit negotiations; and
- The associated impact of these on the HSCP's transformation and savings plans, which will require ongoing review and realignment.

6.4. The financial consequences of the pandemic for the IJB and our partners are subject to a combination of both local and national decisions, including the pace at which the Scottish Government is able to progress through each phase of their route map to removal of all lockdown restrictions.

6.5. For the purposes of this report the estimated costs provided to the Scottish Government through our Mobilisation Plan and associated Financial Tracker have been used. These assume a phased approach to costs tailoring off towards the latter part of this financial year. Members should note that this position is dependent on the Scottish Government's ability to move through the phases of their route map as planned. These estimates will therefore be subject to continual review and refinement.

6.6. The following table summarises the main areas of 'cost' which the HSCP has incurred, and, is projected to incur as a result of the current emergency arrangements – these include: provider sustainability payments; loss of income; and, the cost of savings which have been delayed in their implementation.

Total Estimated Cost @ 20th July 2020			
Description of Cost Type	Total Costs £000's	Costs Incurred to Date £000's	Estimate of Future Commitments £000's
Additional Staff Costs	1,935	933	1,002
Provider Sustainability Costs	16,127	925	15,201
PPE	743	706	38
Delayed Discharge & Care at Home	875	559	316
Community Hubs	1,667	280	1,387
Hospices Loss of Income	693	693	(0)
Unachieved Savings	1,080	295	785
Loss of Income	186	51	135
Other Costs	1,841	283	1,558
	-		-
TOTAL	25,147	4,724	20,423

- 6.7. As highlighted in the above table, the estimated financial impact on the IJB due to delays in the delivery of planned savings is a shortfall of £1,080m. The actual impact may however be higher or lower than currently estimated, depending upon a wide range of influencing factors including: the time taken to move through the route map of recovery; the impact of Test, Trace, Isolate and Support (TTIS) on our internal services as well as our externally contracted services; and, the level of funding which is likely to be received from the Scottish Government.
- 6.8. The figures included in the table, will be subject to continuous change, especially those in relation to provider sustainability payments – as work progresses in taking forward the requirement for IJBs to progress provider sustainability payments in line with the joint guidance from CoSLA and the Scottish Government.
- 6.9. A summary of the additional funding allocated to Renfrewshire IJB by the Scottish Government to assist in funding our response to the COVID-19 emergency is provided in the table below. This shows that in total £2.36m has so far been allocated, which is significantly less than the estimated £25m of gross additional costs outlined in Section 6.6 above, and less than the actual gross additional costs incurred to date to mid-July of circa £5m.

Confirmed Funding Sources to Support the HSCP's COVID-19 Response	£000's
Share of £50m funding for Community Care	£1.667
Hospice Funding Allocation (Accord and St Vincent's)	£0.693
Total Confirmed Funding to date	£2.360
Less: Estimated Costs @ 17/6/2020	£25,147
= Current Funding Gap	(£22,787)

- 6.10. Based on the funding announced to date, as detailed above, and in the absence of any further additional funding, there is a significant risk that the IJB will be required to partially fund any remaining gap.
- 6.11. The risk of a shortfall in funding creates a financial governance issue for the IJB. The IJB and its Chief Finance Officer have a duty to make arrangements for the proper administration of the IJB's financial affairs. This includes ensuring that sources of funding are available for items of significant expenditure. The IJB is receiving request for payments from providers to support their financial sustainability in line with government guidance. However, at this time the IJB does not have any firm commitment from the Scottish Government or any other organisation to a level of funding to meet the cost of sustainability payments that are being submitted by providers.
- 6.12. The Scottish Government did make a commitment in a letter dated 20 March 2020 from the Director General for Health and Social Care to the Chair of CoSLA (Appendix 1) to "support reasonable funding requirements" provided these were fully aligned to local mobilisation plans and provided these were accurately and immediately recorded. Also, in a letter dated 9 April 2020 (Appendix 2) from the Cabinet Secretary for Health and Sport to all Chief Officers, approval in principle was given to the Health and Social Care Mobilisation Plans that had been submitted by each HSCP. The letter indicated that she had asked officials to follow up with partnerships to fully understand the additional expenditure already incurred and the anticipated future expenditure "so that the appropriate funding can be allocated". However, the need for funding or at least a firm commitment to a precise level of funding has now become pressing. In these circumstances, it is proposed that the Chief Officer writes to the Cabinet Secretary seeking a firm commitment from the Scottish Government that it will fund the additional expenditure already incurred, and, the anticipated future expenditure as detailed on the local mobilisation plans which are regularly submitted to the Scottish Government. This would then allow the IJB to fund the level of financial support requested from its suppliers to protect their sustainability, and, ensure the financial sustainability of the IJB.
- 6.13. In light of the above, and, in line with correspondence issued to providers on 8 June 2020 from the Chief Finance Officer (Appendix 3), it is recommended that sustainability payments are not made until the partnership receives confirmation of funding from the Scottish Government.

7. 2020/21 Budget and Financial Strategy Implications

- 7.1. The immediate financial outlook for the public sector and beyond is highly challenging and unpredictable as the scale of the impact of the COVID-19 becomes clearer. In the medium-term, there is significant uncertainty over the scale of the funding gap facing the IJB. As highlighted above, a net budget gap of £9m to £19m between 2021/22 and 2023/24 was projected in the budget approved by the IJB in March 2020 (not taking into account additional financial impacts of COVID-19). It is therefore important that the IJB continues to plan for a range of potential outcomes which provide flexibility to manage the financial position in response to COVID-19 and wider pressures which arise over the next few years.

- 7.2. Local demographics and socio-economic issues such as poverty, deprivation and inequalities can vary significantly across Renfrewshire which, in turn, can impact upon the demand for and supply of services in the community. Vulnerable individuals are most at risk from the COVID-19 epidemic and it is highly likely that existing issues with loneliness and social isolation will be exacerbated by current circumstances. The HSCP and Renfrewshire Council continue to coordinate local responses to addressing these issues and work will continue beyond the transition to business as usual in 2020/21.
- 7.3. Engagement will continue between CFO's and the Scottish Government in relation to further funding support for IJB's in response to not just the immediate emergency and the consequential impact on IJB finances, but also the anticipated additional demands that are expected to be placed on IJB delegated services through the coming weeks and months as restrictions are gradually eased, the TTIS phase is fully implemented and ultimately the pandemic moves into a recovery phase.
- 7.4. Given the strong indications of mid-year revisions to both the UK and Scottish Government budgets for 2020/21 members should be aware of the potential impact this could have for the 2020/21 delegated IJB budget. These revisions may be significant and will take into account:
- The consequential costs of the financial measures taken in the short term by both the UK and Scottish Governments since the onset of COVID-19 to manage the public health response, support communities, support businesses and protect jobs and support the economy to be in a position to restart as quickly as possible; and
 - The significant negative revisions made to the economic outlook for both the UK as a whole and Scotland with regards to the short-term impact and the risk that recovery may take longer than first envisaged with a high risk of longer-term economic damage. This would almost certainly mean a review of Government spending priorities which could have a direct impact on the IJB's budget for 2020/21 and in addition impact on the IJB's medium term financial outlook.
- 7.5. In light of this, the CFO recommends that the IJB develops a flexible financial strategy to ensure the IJB can maintain financial stability in 2020/21 whilst still being able to provide safe and reliable care within a complex and challenging situation to vulnerable people within our communities. Until further clarity on funding levels is provided by the Scottish Government, this will however, be a complex process with great reliance placed on ever changing assumptions.
- 7.6. It is therefore recommended that the Chief Officer, develops a range of proposals for the IJB's consideration, which will support the IJB's ability to deliver a balanced budget in 2020/21, and, which will support an updated medium-term financial plan. The objectives of the revised strategy will be to:
- Understand the implications, for the IJB of any of any revisions to the Scottish Government budget;
 - If required, assist the IJB to make financial decisions which are focused on ensuring financial stability in 2020/21 in response to the financial implications that have emerged from COVID-19 and the changed financial context from that which existed when the 2020/21 budget was set;

- Support any revisions to the agreed financial strategy including the redirection of financial resources to re-align them with revised priorities identified as part of the COVID-19 response, the TTIS phase and ultimately the recovery period, as well as the significant risk that the IJB will be required to partially fund any remaining gap; and
- Update the IJB's medium-term financial planning to take into account any material changes identified.

Implications of the Report

1. **Financial** – Financial implications are discussed in full in the report above.
2. **HR & Organisational Development** – n/a at this stage
3. **Community Planning** - none
4. **Legal** – n/a at this stage
5. **Property/Assets** – none.
6. **Information Technology** – n/a at this stage
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – none
10. **Risk** – There are a number of risks which should be considered on an ongoing basis: adequate funding to deliver core services.
11. **Privacy Impact** – none.

List of Background Papers – None.

Author: Sarah Lavers, Chief Finance Officer

Any enquiries regarding this paper should be directed to Sarah Lavers, Chief Finance Officer (Sarah.Lavers@renfrewshire.gov.uk / 0141 618 6824)

Director-General Health & Social Care and
Chief Executive NHSScotland
Malcolm Wright



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0131-244 2790
E: dghsc@gov.scot

Sally Loudon
Chief Executive
COSLA
Verity House
19 Haymarket Yards
EDINBURGH
EH12 5BH

20 March 2020

Dear Sally,

I am writing to you in the light of the current emergency which has been declared in the NHS in Scotland, and with the immediate and urgent requirement to increase the support and staff capacity in the Social Care sector, which includes, nursing homes, cares homes and care at home – together with the immediate requirement to substantially reduce delayed discharges across the system. This is underpinned by the work being carried out by local government colleagues, and partners, across Health Boards and IJBs to develop support arrangements for, amongst others, key workers.

In the light of all of this, and subject to any additional expenditure being fully aligned to local mobilisation plans, including the IJB responses, we have taken the decision to support reasonable funding requirements – on the basis that they will be accurately and immediately recorded and shared with the Scottish Government. Scottish Government will agree with COSLA and Health and Social Care Partnerships the basis for this reporting.

Yours sincerely

**DIRECTOR GENERAL FOR HEALTH AND SOCIAL CARE & CHIEF EXECUTIVE
NHSSCOTLAND**



Cabinet Secretary for Health and Sport
Jeane Freeman MSP



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

To Chief Officers

By email

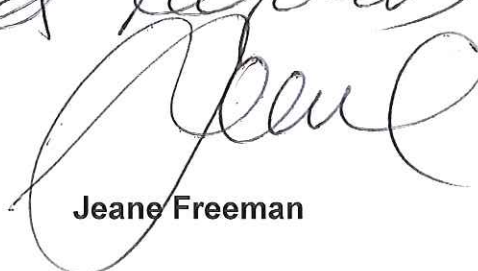
9 April 2020

Dear Colleagues

I write in relation to the receipt of your Health and Social Care Mobilisation Plan by the Community Health and Social Care Directorate last weekend.

I would like to take the opportunity to thank you and your teams for all the work that has gone into producing those plans and, more importantly, for working at such pace to bring these to life.

I am now approving your plans in principle for the activities identified, however I have asked my officials to follow-up with partnerships to fully understand the additional expenditure already incurred and the anticipated future expenditure so that the appropriate funding can be allocated

Kind regards

Jeane Freeman

*And my thanks to you all
for the significant work to
reduce delayed discharge
numbers.*

Scottish Ministers, special advisers and the Permanent Secretary
are covered by the terms of the Lobbying (Scotland) Act
2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot



INVESTORS
IN PEOPLE

Accredited
Until 2020



Date: 8 June 2020
 Our ref: SL/SD
 Your ref:
 Enquiries: Sarah Lavers
 Tel: 0141 618 6824
 Email: Sarah.Lavers@renfrewshire.gov.uk

Dear Provider

Additional Costs Incurred: COVID-19 Pandemic

I wrote to you in March of this year and acknowledged our desire to support all efforts to ensure the continued provision of care and support services during the COVID-19 Pandemic.

Nationally, a consistent set of principles to ensure that the social care sector remains sustainable during the emergency response to COVID-19 has been developed. These principles align with other sources of advice such as SPPN5/20201 and the COSLA Guidance for Commissioned Services.

These principles are based on agreement from the Scottish Government that they will meet all reasonable additional provider costs as they are aligned to health and social care mobilisation plans. These principles will apply till the end of June 2020 when they will be reviewed.

Providers are expected to complete the Covid Provider Additional Costs Template and declaration to confirm they will:

- Use any national relief and business grants they are eligible for in the first instance and ensure that payments are not received that duplicate support.
- Consider where costs can be reduced in their business models such as redeployment of staff.
- Continue to employ and pay staff including for sickness in line with their organisations terms and conditions and ensure sub-contractors are paid.
- Agree an open book basis between commissioners and providers where sustainability payments have been made to ensure there is no duplication of support.
- On request, evidence that monies paid out have been used as intended. Where it has not monies paid out can be recovered by public bodies.

To support this, Renfrewshire Health and Social Care Partnership (HSCP) has developed a template for organisations to complete which should be used to record the changes which have taken place to service delivery commissioned during the current COVID-19 Pandemic.

The template will be available for organisations to detail and evidence additional costs such as (staffing, PPE or sick pay) that are over and above the normal costs incurred during the COVID-19 Pandemic. The template should also be used to detail any other national funding support measures that have been accessed to avoid double subsidy and where additional expenditure has been offset by any cost reduction (e.g. transport or ancillary service costs as a result of temporary closure).

Renfrewshire House, Cotton Street, Paisley, PA1 1AL

Full guidance on the completion of this template is included in the attached Guidance Note. Providers will be required to submit evidence to support the return and this could include copy invoices for any additional costs incurred for items such as the PPE they are seeking to be repaid. It should be noted that the HSCP will only consider paying excess cost from those which you would normally incur, and evidence of normal spending levels will also be required to be submitted. The level of additional cost payments will be made to Providers on confirmation of the funding levels made available to the HSCP by the Scottish Government.

Templates should be returned via email copied to both [REDACTED] and [REDACTED]. Once returned the templates will be reviewed and assessed for payment. At this stage more detailed discussions will take place with organisations. We are keen to adopt a measured and reciprocal approach to open book auditing during this period to support and sustain commissioned services with additional cost pressures and financial reconciliation.

For Older People Care Homes which have been impacted by a reduction in occupancy because it has been clinically unsafe to admit people or due to a reduction in admissions caused by COVID-19, a sustainability payment will be made where appropriate. These payments are made on the basis of average occupancy levels and that care homes continue to admit residents where they are able.

A separate process to manage these payments has been developed and further information on this will be issued to Providers of Older People Care Homes in due course.

Renfrewshire HSCP are committed to working in partnership with all our commissioned services through this challenging and unprecedented time and we would like to acknowledge all the hard work, flexibility and dedication of staff across the sector.

Yours sincerely

Sarah Lavers
Chief Finance Officer

Encs. Guidance Note
Additional Costs Template