

Integrated Commissioning Board



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Portfolio	Integrated Commissioning
Report Author	Tim Buckley
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**Health and Social Care Shadow Pool Budget Report-
Final Outturn 2017/18**

Executive Summary

- 1.1 To update the Integrated Commissioning Board (ICB) on the final position of the shadow pooled budget for Health and Social Care for the financial year 2017/18.

The final position shows an in year overspend of £3.4m. This includes a balanced position in Adult Social Care (ASC) which is the same position as reported at period 10 and includes a budget carry forward (£1m) agreed by the ICB in April to go against the locality gap in 2018/19, this results from use of grant funding in 2017/18 against mainstream budgets. The overspend in Children’s Social Care (CSC) is £0.3m, which is an improvement of £0.7m against that reported at period 10, due to a reduction in residential placement costs and Specialist Educational Needs (SEN) transport costs against what was previously forecast. The overspend in the Clinical Commissioning Group (CCG) is £3.1m which is a £0.6m improvement on the position reported at period 10, mainly as a consequence of a reduction in prescribing costs, due to a reduction in the number of drugs on the no cheaper stock obtainable list in the latter months of the year.

- 1.2 The CCG pressure has been funded from the CCG contingency and slippage on reserves in 2017/18. The Local Authority (LA) pressure has been funded from LA reserves in 2017/18.

Recommendation

- 2.1 Consider the final position for the shadow pooled budget for 2017/18. It should be noted that the LA figures are still subject to external audit
- 2.2 Consider that the CCG pressure (£3.1m) has been funded from the CCG contingency and reserves in 2017/18 and the LA pressure (£0.3m) has been funded from LA reserves in 2017/18.

Reason for Recommendation

- 3.1 At its meeting in April 2017 the ICB agreed that Adults Health and Social Care, prescribing and Public Health (PH) budgets would form part of the shadow pooled budget for 2017/18 and regular monitoring was agreed. A further report to the August ICB recommended that the pool be expanded to include Children's Health and Social Care which is now incorporated into this report. This report updates the Board on the final budgets included in the shadow pooled budget and final outturn position as at the end of March 2018.

Key Points for Consideration

- 4.1 The operation of a shadow pooled budget for Health and Social Care was agreed at the April 2017 ICB. This has formed the basis of the formal pooling of budgets between the two organisations in line with National Health Services England (NHSE) guidelines.
- 4.2 Since the April report further work has been undertaken analysing the budgets to be included within the pool, in particular around the PH budgets. A decision was made by the ICB in August to include Children's Services budgets in the shadow pooled budget from September 2017. The figures in this report now include Children's Services budgets.
- 4.3 In addition to the pooled/ aligned budgets for Children's the Local Authority receives a ring-fenced grant called the Dedicated Schools Grant (DSG) provided to fund education for children in the Borough. This covers funding to schools, early years provision and to support pupils with Special Educational Needs (SEN).

Alternatives Considered

- 4.4 The operation of a shadow pooled budget has allowed learning to take place prior to the formal pool which is now in place from April 2018 as part of the agreement for Transformation Funding from Greater Manchester (GM) Health and Social Care Partnership.

Costs and Budget Summary

- 5.1 The changes to the budget position previously reported to the ICB at period 10 are;
 - ASC £2.1m reduction mainly resulting from budget carry forwards,

including the £1m contribution to the locality gap in 2018/19 approved by the ICB in April, the Local Transformation Funding £0.7m, IT and personal health project budgets £0.3m.

- CSC £2.9m reduction mainly in respect of corporate accounting adjustments around employee insurance which are influenced budgets which will not be part of the formal pooled budget in 2018/19 £2m. There is also unused grant in child protection services, which has been carried forward £0.5m and an adjustment with aligned services £0.4m (see table 4 below).
- CCG £1m increase, £0.7m in Acute services, £0.2m in Mental Health Services (additional training funding £0.1m, additional winter pressures funding £0.1m) and £0.1m in prescribing.

There is a dashboard at Appendix 2 which shows the allocation of budgets and this includes the pooled, aligned and exempt budgets in 2017/18. The exempt budgets include both the Locality Transformation Funding and the Better Care Fund, both of which will be included in the formal pooled budget in 2018/19. The dashboard also includes the percentage analysis of the final pooled budget between Adults services and Children's services.

- 5.2 The final outturn position shows an overspend in 2017/18 of £3.4m this includes £2.4m on Adults and £1.0m on Children's. The main reasons for this are explained in table's 2 and 3 below and detailed in Appendix 1 to this report.

The variations to the overspend reported at period 10 are as follows;

Table 1-Summary of Variances

Budget Area	P10 £M's	Final Outturn £M's	Increase £M's	Narrative
Children's Social Care	1.0	0.3	-0.6	Reduction in costs of expensive residential placements and transport costs for SEN.
CCG	3.7	3.1	-0.7	Reduction in prescribing costs.
Total	4.7	3.4	-1.3	

The dashboard at Appendix 2 shows the allocation of the variation to budget between service areas and the changes in forecasts between period 10 and final outturn between service areas. For completeness the dashboard includes the Better Care Fund and the Locality Transformation Fund which are exempt budgets in 2017/18, both of which will be included in the formal pooled budget for 2018/19, and

are additional to the pooled figures in the tables below.

Table 2 Major Variations – Adult Services

Period 12 - all figs in £'000	Budget	Forecast	Variance	Reasons for Major Variations
Management, Support and Commissioning	2,116.8	2,125.1	8.3	Pressure resulting from non staffing budgets
Adults, Older People and Physical Disability Services	51,526.6	51,766.7	240.1	(-£550k) in year savings resulting from staffing vacancies in Adult Social Care Services. Pressures on Commissioning budgets from packages of care in ASC (£606k). Over performance on Continuing Healthcare Activity (£184k)
Learning Disability/ Mental Health Services	49,142.3	50,344.6	1,202.3	Underspend in ASC staffing (-£165k) offset in part by a pressure in commissioned services (£79k). Overspend in complex MH case placements (£710k), Overspend in non contractual services (£249k) overspend on Acute services (£408k) partially offset by an underspend relating to other MH services (-£77k).
Acute Services CCG	109,984.4	110,429.9	445.5	Over performance on the Foundations Trusts (FTs) of £2,197k offset by under performance on the private providers (-£1,111k), Ambulance costs (-£209k), winter resilience schemes (-£306k) and other acute services (-£125k)
Primary Care-Prescribing	32,196.4	32,356.6	160.2	Reduction in availability of certain cheaper drugs and no cheaper stock obtainable (NCSO), partially offset by savings on Cat M drug.
Other Services	1,729.7	2,134.8	405.1	Two neuro rehab patients over plan (£445k). One at Highbank and one at Respite (North West) Ltd. Overspend in other services (£10k) offset in part by under performance on NHS 111 Call Activity (-£50k)
Total Adult Public Health	7,781.7	7,773.7	(8.0)	In year savings resulting from staff vacancies
Total Core Services	254,477.9	256,931.4	2,453.5	
Locality Plan Transformation Fund	(8.4)	(8.5)	(0.1)	Local transformation funding has been carried over into 2018/19 (£671k)
Total inc Locality Plan Transformation Fund	254,469.5	256,922.9	2,453.4	

Table 3 Major Variations – Children’s Services

Period 12 - all figs in £'000	Budget	Forecast	Variance	Reasons for Major Variations
Management, Support and Commissioning	1,517.3	1,260.3	(257.0)	In year savings from vacancies in Children's social care
Children's Early Intervention	5,034.1	4,663.1	(371.0)	In year savings from vacancies in Children's social care
Physical Disability	5,584.3	5,906.9	322.6	Over performance on Continuing Health Care (CHC) activity (£377k), partially offset by underperformance on non contract activity (-£54k)
Learning Disability/ Mental Health Services	5,388.2	5,574.5	186.3	Overspend in a number of areas relating to Children's Mental Health services
Special Educational Needs	4,480.7	4,660.7	180.0	Overspend due to increase in numbers of pupils with SEN and more complex conditions together with pupils having to travel further to appropriate specialist provision
Acute Services CCG	29,135.7	29,279.1	143.4	Overspends across the acute trust due to increase in Non Elective (£15k), Out Patients (£96k) along with other net pressures (£95k). Partly offset by winter resilience underspends (-£63k)
Children 0-19 Public Health	5,151.5	5,151.5	0.0	
Cared for Children and Safeguarding	22,627.2	23,391.2	764.0	Overspend due to increase in numbers of cared for children (£186k) and increase in number of expensive residential placements (£578k)
Primary Care - Prescribing	8,558.5	8,601.1	42.6	Reduction in availability of certain cheaper drugs and no cheaper stock obtainable (NCSO), partially offset by savings on a CAT M drug
Other Services	482.8	470.0	(12.8)	Minor underspends in a number of areas relating to other Children's services
Total Core Services	87,960.3	88,958.4	998.1	

5.3 In addition to the shadow pooled budgets included in tables 2 and 3 above there are also some aligned budgets, these are for the ICB’s information only. Decision making for aligned budgets remains with either the CCG or the LA. The budgets are listed in table 4 below.

Table 4 Aligned Services 2017/18

Service	Host	Budget £000's
Health Protection	PH	160
Physical Activity	PH	622
Smoking and Tobacco	PH	33
Other Public Health	PH	1,473
Link for Life	PH	2,571
School Improvement	CSC	695
Schools Organisation	CSC	219
Schools Personnel	CSC	97
Area Special Educational Needs Co-ordinator	CSC	-19
Education Psychology	CSC	323
Youth Offending Team	CSC	173
Emergency Duty Team	CSC	290
Regional Adoption Agency	CSC	835
Primary Care	CCG	10,249
Acute Services	CCG	36,336
Core Services	CCG	2,600
Primary Care – Co commissioning	CCG	29,183
Total Aligned Service		85,840

6.Risk and Policy Implications

- 6.1 The operation of a shadow pooled budget leaves the risk with each partner organisation to deal with as part of its own monitoring and reporting procedures.
- 6.2 The shadow pooled budget has been agreed to be operated in 2017/18 in line with the Governments guidance that all LA Adult Care and CCG budgets should be pooled by 2020/21 to support the integration of Health and Social Care. Section 75 of the National Health Service 2006 Act gives powers to local authorities and health bodies to establish and maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed LA functions and prescribed NHS functions.

Consultation

- 7.1 There is no requirement for consultation on the contents of this report other than with the partners i.e. the CCG and the LA. Relevant officers from both organisations have been consulted on the content of this report.

Background Papers	Place of Inspection
8.1 LA Monitoring working papers CCG Monitoring working papers	Number 1 Riverside Number 1 Riverside
For Further Information Contact:	Tim Buckley tim.buckley@rochdale.gov.uk 01706 925252