



Date of Meeting- 30th October
2018

Portfolio- Integrated
Commissioning

Lead Member- Councillor Rowbotham

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Public Document

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Health and Social Care Pooled Budget Monitoring Report- Period 6 (September) 2018/19

Executive Summary

- 1.1 To update the Integrated Commissioning Board (ICB) on the financial position of the pooled budget for the financial year 2018/19 at period 6 (end of September). The pooled budget excludes the Better Care Fund (BCF) and the GM Transformation funding which is being reported separately to the ICB in 2018/19. The pooled budget has been amended to take into account the savings reported in previous reports to ICB, the gap at period 6 on the pooled budget is £2.7m which is the same as the position reported at period 5 in the previous monitoring report to ICB in September.
- 1.2 Period 6 monitoring for the Local Authority (LA) provider services will be reported to Cabinet in November, however indications for Adult Social Care (ASC) and Public Health (PH) are that a balanced position will be reported, whilst Children's Social Care (CSC) continues to have significant pressures, this being £4m at period 4. The LA is undertaking detailed work to fully understand the CSC pressure.
- 1.3 The ICB should note that during 2018/19 any LA provider service variations, being noted in this report are for information only as it will be for the Council to identify mitigating actions. However for future financial years funding of such pressures will be subject to the development of the pooled fund commissioning arrangements.
- 1.4 The CCG are showing a pressure of £0.9m at period 6. The CCG pressure is shown in the pool but the CCG have contributed an additional amount to the

pool from reserves to offset this pressure. The pressure relates to Acute contracts (£0.6m) and Mental Health expensive placements (£0.3m). This is £0.2m more than reported at period 4.

- 1.5 In line with a Council cabinet decision on the 25th September 2018 the partners have reviewed their contributions to the pool and the Council have now agreed to contribute an additional £4.8m in 2018/19 from its reserves and will then reduce its contribution to the pool by the same amount in 2019/20. The CCG will adjust its contributions by the same amounts in these years so that overall the pooled contributions remain the same. This results from a review of the current overall financial position of the partners.
- 1.6 The Secretary of State for Health and Social Care announced on the 2nd October at the Conservative party conference that an extra £240 million of funding would be made available to Councils to pay for Social Care packages for winter 2018/19. The indication is that the funding will be allocated to Councils based on the adult care relative needs formula which would result in the Council receiving £1.1 million of additional one-off funding in 2018/19. There is no further information available yet to confirm how/when the funding will be paid over or any terms and conditions attached to it. An update will be provided to ICB in future reports.

Recommendation

- 2.1 ICB notes the current position for the pooled budget for 2018/19.
- 2.2 ICB notes the funding gap at period 6 on the pool is £2.7m, any remaining gap will be addressed in future reports to ICB.
- 2.3 ICB notes that the Council will have responsibility to identify mitigating actions for the variations in LA Children's provider services in 2018/19 (£4m) identified at period 4.
- 2.4 ICB notes that the CCG have £0.9m pressures at period 6 but that the CCG has contributed additional funding from reserves to offset this pressure in the pooled accounts.
- 2.5 ICB notes the changes in partner contributions in 2018/19 and 2019/20 agreed at Council Cabinet in September.
- 2.6 ICB notes the additional funding announced by the Secretary of State for Health and Social Care on the 2nd October 2018.

Reason for Recommendation

- 3.1 This report updates the ICB on the Health and Social Care pooled budgets for 2018/19 in line with National Health Service England (NHSE) guidelines and the Greater Manchester (GM) Health and Social Care Partnership

requirements. As part of operating a pooled budget regular monitoring reports are required.

- 3.2 The BCF has been excluded from the pooled reporting and will be reported separately to ICB in line with NHSE requirements for reporting each quarter. If the locality receives graduation during 2018/19 then the reporting will be reviewed to consider bringing the BCF into the pool and reporting the budgets together.

Key Points for Consideration

- 4.1 The pooling of budgets between the two organisations, LA and CCG, is in line with NHSE guidelines to progress integration of Adult Social Care and Health and is in accordance with the decision made by full Cabinet and the CCG Governing Body.
- 4.2 The operation of a formal pooled budget has been in place from April 2018 in line with the agreement for Transformation Funding from the GM Health and Social Care Partnership.
- 4.3 Graduation has not yet been received from NHSE for the locality, this means that reporting of the BCF is required each quarter in line with NHSE guidelines.
- 4.4 **Alternatives Considered**
The operation of a formal pool in 2018/19 is in line with the requirements of the GM Health and Social Care Partnership and builds on the shadow pool that was operated by the ICB in 2017/18, therefore there are no alternatives to consider.

Costs and Budget Summary

- 5.1 The changes from the period 4 budget position reported to ICB in September are listed in Table 1 below;

Table 1

	Budget £m's
Pooled budget at Period 4 2018/19	336.8
CCG	
Acute- release of reserves to fund non elective activity cap with Pennine Acute and increased activity at Salford Royal FT in relation to nephrology	1.4
Mental Health- removal of duplicate children, and adolescent mental health budgets and a credit note in relation to 17/18 unachieved quality payment	-0.6
Prescribing- transfer of Flu/Pneumonia funding to NHSE who are now picking up these costs centrally	-0.4
Total movement in CCG pooled budgets	0.4
Pooled budget at Period 6 2018/19	337.2

- 5.2 There are no changes to the Local Authority pooled budgets between period 4 and period 6.
- 5.3 The pooled budget in table 2 below at period 6 has a funding gap of £2.7m, this is no change to the position reported to ICB in September. Progress on the savings schemes and additional plans to bridge the remaining funding gap will be provided to the ICB in regular reports during 2018/19 and will be discussed by the Finance, Performance and Risk sub group at its future meetings.
- 5.4 Any remaining pooled budget gap at the end of the year will be shared between the partners based on the risk share allocation confirmed in the Section 75 agreement signed off by the ICB in September.
- 5.5 For information, and to support commissioning decisions, the LA provider services financial positions are being reported to ICB. The updated information for period 6 is not yet available for children's social care, but there was a net budget pressure of £4m at period 4 and the Council is currently undertaking further work to understand this pressure and to identify mitigating actions. There are no changes to the adult social care and public health forecasts of breakeven.

Table 2

Health and Social Care Pooled Budget 2018/19				
Adult's Services	2018/19 Budget	2018/19 Forecast	Variance	Narrative
	£m's	£m's	£m's	
Period 6 budget position				
Management, Support and Commissioning	4.7	4.7	0.0	
Adults, Older People and Physical Disability	46.1	46.0	-0.1	Change in continuing health care activity
Learning Disability / Mental Health	52.5	52.9	0.4	Additional Section 117 patients £0.5m; reduction in Adult placements (£0.1m)
Acute Health Care	112.8	113.3	0.5	Additional costs at Manchester University NHS Foundation Trust re high cost trauma activity in month 5/6 £0.3m. Increased activity at Salford and Wrightington in part offset by reduced activity at Lancashire Teaching NHS foundation trust £0.2m.
Primary Care - Prescribing	29.9	29.9	0.0	
Other Services	1.9	1.9	0.0	
Adult Public Health	8.0	8.0	0.0	
Total Adult Pooled Services	255.9	256.7	0.8	
Children's Services				
Period 6 budget position				
Management, Support and Commissioning	3.2	3.2	0.0	
Children's Early Intervention	5.9	5.9	0.0	
Health Community Services	5.7	5.8	0.1	Overspend on Children's continuing health care
Learning Disability / Mental Health	5.6	5.5	-0.1	Underspend in the Children and adolescent mental health service (CAMHS)
Special Educational Needs	3.5	3.5	0.0	
Acute Health Care	22.0	22.1	0.1	Overspend on Pennine Acute Children's Services £0.1m
Children 0-19 Public Health	5.0	5.0	0.0	
Cared for Children and Safeguarding	21.6	21.6	0.0	
Primary Care - Prescribing	7.9	7.9	0.0	
Other Services	0.8	0.8	0.0	
Total Children's Pooled Services	81.2	81.3	0.1	
Local Transformation Fund	0.1	0.1	0.0	
Total Health and Social Care Pooled Budgets	337.2	338.1	0.9	
Contribution from Partners				
CCG	-241.2	-242.1	-0.9	Additional CCG contributions to offset pressures reported above, and the additional contribution reported at P5 monitoring (£0.4m) offset by the reduction in contribution by £4.8m in 2018/19
LA	-93.3	-93.3	0.0	Includes additional 2018/19 contribution of £4.8m
Total Contributions	-334.5	-335.4	-0.9	
Revised Gap	2.7	2.7	0.0	

- 5.6 There are some aligned services which sit outside of the pooled budget which are listed in table 3 below, these are not under the control of the ICB but are included here for information, decision making around these budgets remains with the LA or CCG. The main change in aligned budgets since period 4 reporting follows a review on the non-pooled budgets resulting in the core running costs budgets increasing by £1.2m, this relates to the costs of properties £0.7m and costs of managing CHC £0.5m.

Table 3

Aligned Services		
Service	Host	Budget £000's
Health Protection	PH	160
Physical Activity	PH	631
Smoking	PH	33
Other Public Health	PH	1,201
Link4Life	PH	2,526
Management and Strategy	CSC	269
School Improvement	CSC	227
School Organisation	CSC	68
Schools Personnel	CSC	24
Area Special Needs Co Ordinator	CSC	466
Educational Psychology	CSC	228
Regional Adoption Agency	CSC	1,214
Primary Care	CCG	7,044
Acute Services	CCG	42,856
Core Running Costs	CCG	5,582
Primary Care-Co Commissioning	CCG	36,202
Total Aligned Services		98,731

Risk and Policy Implications

- 6.1 The pooled budget has been agreed to be operated in 2018/19. 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
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8.1	LA Monitoring working papers	Number 1 Riverside
	CCG Monitoring working papers	Number 1 Riverside

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