

Report to Integrated Commissioning Board



| | |
|-------------------------|--|
| Date of Meeting | 29th June 2021 |
| Portfolio | Cabinet Member for Health & Wellbeing |
| Report Author | Gareth Davies (for Adult Care Directorate & Public Health & Integrated Directorate) |
| Lead Officer | Jonathan Evans (Chief Finance Officer – Health & Social Care Integration) |
| Public/Private Document | Public |

Health and Social Care Pooled Budget Outturn Report 2020/2021

Executive Summary

- 1.1 To update the Integrated Commissioning Board (ICB) on the financial position of the pooled budget outturn position for the financial year 2020/21. The pooled budget excludes the Better Care Fund (BCF) which is being reported separately to the ICB in 2020/21. The pooled budget has been amended to take into account the savings previously reported to ICB.
- 1.2 The Covid pandemic has caused a change in funding arrangements for the CCG, and there is uncertainty around the impact Covid will have on both partners this year. As a result of this uncertainty it was agreed at ICB and Cabinet on the 26th of May that the Health & Social Care Pool budget risk share agreement is changed for 2020/21 so that both partners are responsible for their own pooled fund gap and in year underspend or overspend.
- 1.3 The outturn position for the H&SC pooled budget is a break even position following contributions for Covid pressures.
- 1.4 For the 2020/21 financial year there has been £6.8m of Covid related costs claimed against the NHS Covid fund, £5.2m of which relate to H&SC pooled budgets. There are also £3.3m of Covid pressures net of specific grants being reported against pool budgets that forms part of the Local Authority Covid pressure, which has been fully funded by the LA.

Recommendations

- 2.1 ICB notes the break-even position being reported against the H&SC pooled budget for 2020/21.
- 2.2 ICB note that in 2020/21 £8.5m of Covid costs were incurred against the Health & Social Care Pool Budget. £5.2m of these costs have been reclaimed from the NHS Covid fund, and £3.3m forms part of the Local Authority overall Covid-19 pressure. The net LA pool Covid pressure of £3.3m has been wholly funded from LA Government emergency funding leaving no in year pool pressure.

Reason for Recommendation

- 3.1 This report updates the ICB on the Health and Social Care pooled budgets for 2020/21 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.

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 Cabinet and the CCG Governing Body.
- 4.2 The operation of a formal pooled budget has been in place from April 2018.
- 4.3 **Alternatives Considered**
The operation of a formal pool in 2020/21 builds on the shadow pool that was operated by the ICB in 2017/18 and is in line with 2018/19 & 2019/20 reporting; therefore there are no alternatives to consider.

Costs and Budget Summary

5.1 Table 1 below shows the opening Health & Social Care Pool Budget for 2020/21. It should be noted that this is before the national approach for NHS budgets was enforced for this financial year.

| Table 1 - Health and Social Care Pooled Budget 2020/21 | |
|---|------------------------------------|
| 2020/21 Expenditure Budgets | Opening 2020/21 Budget £m's |
| <u>Adult's Services</u> | |
| Management, Support and Commissioning | 4.5 |
| Adults, Older People and Physical Disability | 42.6 |
| Learning Disability / Mental Health | 58.6 |
| Acute Health Care | 116.2 |
| Primary Care - Prescribing | 32.3 |
| Other Services | 3.7 |
| Adult Public Health | 7.7 |
| Total Adult Pooled Services | 265.6 |
| <u>Children's Services</u> | |
| Management, Support and Commissioning | 2.9 |
| Children's Early Intervention | 6.6 |
| Health Community Services | 7.2 |
| Learning Disability / Mental Health | 7.2 |
| Special Educational Needs | 4.1 |
| Acute Health Care | 23.0 |
| Children 0-19 Public Health | 5.0 |
| Cared for Children and Safeguarding | 30.7 |
| Primary Care - Prescribing | 8.6 |
| Other Services | 0.8 |
| Total Children's Pooled Services | 96.1 |
| Total Health and Social Care Pooled Budgets | 361.7 |
| <u>Contribution from Partners</u> | |
| CCG | -255.3 |
| LA | -102.3 |
| Total Contributions | -357.6 |
| Opening Gap | 4.1 |

5.2 **NHSE Current Arrangements**

The CCG received allocations in months 1-6 which enabled a breakeven position to be reported. For months 7-12 the CCG has received an allocation based on forecast expenditure that was submitted in September. The CCG has outturned with an overall breakeven position once additional national funding

has been received for the costs incurred within the Independent sector and the hospital discharge programme.

5.3 Table 2 shows the outturn position against the Health & Social Care Pooled Budget for 2020/2021.

| Health and Social Care Pooled Budget 2020/21 | | | | |
|---|---------------------------|----------------------------|-----------------|--|
| March outturn position | 2020/21 Budget | 2020/21 Outturn | Variance | Narrative |
| | £m's | £m's | £m's | |
| <u>Expenditure Budgets</u> | | | | |
| <u>Adult's Services</u> | | | | |
| Management, Support and Commissioning | -0.8 | -1.0 | -0.2 | There is a £0.2m underspend against staffing budgets in this area due to a delay in filling vacancies. The negative budget reflects the income held within management budgets being greater than expenditure. |
| Adults, Older People and Physical Disability | 41.7 | 46.0 | 4.3 | - £5.2m of LA Covid pressures have been incurred against these budgets including £3.5m relating to the Hospital Discharge Programme. - Due to a reduction in residential placements, Adult Social Care has out-turned with a £0.9m underspend against other budgets in this area. |
| Learning Disability / Mental Health | 59.6 | 59.6 | 0.0 | |
| Acute Health Care | 110.8 | 110.8 | 0.0 | |
| Primary Care - Prescribing | 31.6 | 31.6 | 0.0 | |
| Other Services | 9.1 | 9.1 | 0.0 | |
| Adult Public Health | 7.4 | 7.6 | 0.2 | - £0.3m of LA Covid pressures have been incurred against Public Health budgets, offset by £0.1m of in-year savings against Substance Misuse and Sexual Health due to reduced activity. |
| Total Adult Pooled Services | 259.4 | 263.7 | 4.3 | |

| | | | | |
|--|--------------|--------------|------------|---|
| <u>Children's Services</u> | | | | |
| Management, Support and Commissioning | 2.9 | 2.9 | 0.0 | |
| Children's Early Intervention | 7.4 | 7.4 | 0.0 | |
| Health Community Services | 13.4 | 13.4 | 0.0 | |
| Learning Disability / Mental Health | 8.4 | 8.4 | 0.0 | |
| Special Educational Needs | 4.2 | 4.2 | 0.0 | |
| Acute Health Care | 21.9 | 21.9 | 0.0 | |
| Children 0-19 Public Health | 5.3 | 5.3 | 0.0 | |
| Cared for Children and Safeguarding | 29.2 | 30.5 | 1.3 | £1.3m of LA Covid pressures have been incurred against Children's Services. |
| Primary Care – Prescribing | 8.4 | 8.4 | 0.0 | |
| Other Services | 1.3 | 1.3 | 0.0 | |
| Total Children's Pooled Services | 102.4 | 103.7 | 1.3 | |
| Total Health and Social Care Pooled Budgets | 361.8 | 367.4 | 5.6 | The forecast variance of £5.6m represents:- - £6.8m of LA Covid pressures before adjusting for Covid funding. - A £1.1m in year saving against non-Covid Adult Social budgets. - A £0.1m in year saving against non-Covid Public Health budgets. |

| <u>Contribution from Partners</u> | | | | |
|--|---------------|---------------|-------------|---|
| CCG | -262.8 | -266.6 | -3.8 | -The CCG has received £5.3m of Covid health funding to offset pooled Covid costs, £1.8m of which is already reflected in the figures above. The remaining £3.5m relates to the ASC Covid pressures identified above. |
| LA | -99.0 | -100.8 | -1.8 | -The CCG is contributing an additional £0.3m in year to cover 50% of the late overspend on ASC in 2019/20, with the LA contribution reducing by the same amount. - The LA has made an additional contribution from Government emergency funding received to address the unfunded Pool LA Covid pressures of £3.3m. - The LA contribution has been reduced by £1.2m to reflect the in-year saving against non-Covid budgets. |
| Total Contributions | -361.8 | -367.4 | -5.6 | |
| Forecast Position | 0.0 | 0.0 | 0.0 | |

- 5.4 For 2020/21 the LA is reporting an in-year saving of £1.2m against non-Covid pool budgets, being £1.1m on Adult Social Care and £0.1m on Public Health.
- 5.5 The £1.1m in-year saving against Adult Social Care is due to a combination of staff turnover, reduced residential placements and one off-funding. .
- 5.6 The £0.1m in-year saving against Public Health relates to in-year savings against Substance Misuse and Sexual Health budgets due to reduced activity as a result of Covid, and vacancies within the Public Health team.
- 5.7 The 2020/21 outturn position for CCG pooled budgets is breakeven.

Covid 19

5.8 CCG Impact

The CCG were able to reclaim all costs incurred as a result of Covid-19 up until the end of September. From October to March, costs could only be claimed for costs eligible under the Hospital Discharge Program (HDP) Scheme 2.

- 5.9 For the financial year 2020/21, the CCG has submitted the return to show the below Covid-19 Expenditure as part of the monthly return:

| Table 3 – Pooled COVID costs | TOTAL £'000 |
|---|--------------------|
| Primary Care | 854 |
| Prescribing | 480 |
| Hospital Discharge Programme (Scheme 1) | 2,666 |
| Hospital Discharge Programme (Scheme 2) | 748 |
| Hot Hubs | 1,141 |
| Continuing Healthcare (CHC) | 352 |
| Other | 519 |
| TOTAL | 6,760 |

- 5.10 This table is included for completeness however £1.539m of these costs sit outside of the pooled fund. £5.221m of the total CCGs COVID claim falls within the pooled fund.

5.11 LA Impact

The LA has received £24.2m to offset additional expenditure and reduced income caused by the impact of Covid-19. The in-year pressure is £15.6m with the balance of £8.6m being carried forward to meet the forecast Covid pressures in 2021/22.

Table 4 includes further detail:-

| Table 4 - LA Covid 19 Pressures 2020/21 | £'m |
|---|----------------|
| <i>Cost Pressures net of specific grants</i> | |
| Pooled LA Cost Pressures | 6.772 |
| less Pooled LA expenditure reclaimed from joint hospital discharge programme as at the end of March | -3.455 |
| Non Pooled LA Cost Pressures | 4.003 |
| LA Total Loss of Income | 8.237 |
| Total Pressure | 15.557 |
| LA General Covid 19 Funding Received | -22.231 |
| Government compensation re: Sales, Fees & Charges Income, and use of Reserves | -1.973 |
| Forecast Total Funding | -24.204 |
| Net Covid 19 Pressure | -8.647 |

- 5.12 Covid 19 related expenditure pressures against LA pooled budgets net of specific grants total £6.8m, of which £3.5m has been charged against the Covid

hospital discharge programme in 2021/22. This leaves a net forecast pressure of £3.3m which has been funded from Government emergency funding received by the LA.

5.13 Aligned Services

There are a number of aligned services which sit outside of the pooled budget which are listed in table 5. 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.

| Table 5 - Aligned Services | | |
|--|-------------|--------------------------|
| Service | Host | Budget £000's |
| Health Protection | PH | 160 |
| Physical Activity | PH | 544 |
| Other Public Health | PH | 1,192 |
| Link4Life | PH | 2,368 |
| Management and Strategy | CSC | 243 |
| Shared Services with Bury | CSC | 574 |
| Sufficiency and Access | CSC | 45 |
| School Improvement, Organisation and Personnel | CSC | 855 |
| Educational Psychology/coordinator | CSC | 456 |
| Regional Adoption Agency | CSC | 1,279 |
| Primary Care | CCG | 6,937 |
| Acute Services | CCG | 49,254 |
| Core Running Costs | CCG | 4,128 |
| Primary Care & Co Commissioning | CCG | 39,010 |
| Other CCG | CCG | 1,340 |
| Total Aligned Services | | 108,385 |

Risk and Policy Implications

- 6.1 The pooled budget has been agreed to be operated in 2020/21. 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.
- 6.2 Under the Section 75 Risk Share agreement, If a revenue overspend or underspend remains at the end of a financial year, the Partners agree that such underspends and overspends will be managed by the respective organisation in 2020/21. This is as a consequence of the different financial regimes and funding for COVID and will be revisited for 2021/22.
- 6.3 The long term impact of Covid on the delivery of services is not fully understood and it is expected that the financial impact will continue into future years.

| |
|---------------------|
| Consultation |
|---------------------|

7. 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. LA Monitoring Working papers | Number 1 Riverside |
| CCG Monitoring Working Papers | Number 1 Riverside |
| For further information about this report or access to any background papers contact Gareth Davies | Gareth Davies (for Adult Care Directorate & Public Health & Integrated Directorate) Tel: 01706924888 gareth.davies@rochdale.gov.uk |