

## Report to Integrated Commissioning Board



Date of Meeting	23 <sup>rd</sup> November 2021
Portfolio	Cabinet Member for Health
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Public/Private Document	Public

### Health and Social Care Pooled Budget Monitoring Report September 2021

#### Executive Summary

- 1.1 To update the Integrated Commissioning Board (ICB) on the financial position of the pooled budget for the financial year 2021/22 as at the end of September 2021. The pooled budget excludes the Better Care Fund (BCF) which is being reported separately to the ICB in 2021/22. 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 26<sup>th</sup> of May that the Health & Social Care (H&SC) Pool budget risk share agreement was changed for 2020/21 so that both partners are responsible for their own pooled fund gap and in year underspend or overspend. This agreement has been extended for 2021/22 given the ongoing uncertainty regarding health funding.
- 1.3 The opening position reported on the Health & Social Care Pool budget for 2021/22 was a break even position, however this is based on several assumptions, as health funding arrangements have only been confirmed up to the end of September. The LA had set a balanced position for the LA Pooled Budgets.
- 1.4 As at the end of September there is a forecast over performance of £0.2m against the H&SC Pool Budget. The over performance is against health budgets and relates to Adult database beds activity (£0.1m), an overspend

against Adult prescribing budgets (£0.1m), an overspend on Children's health budgets (£0.1m), offset by and underperformance against Adults CHC budgets (£0.1m). It is anticipated that the over performance will be funded from national funding, but this will not be reflected in the Pool until the allocation is received. Once this allocation is received the Pool will show a breakeven position.

- 1.5 As at the end of September Forecast Covid pressures of £5.8m have been identified across the H&SC Pool in relation to Children's (£3.9m) and Adults Social Care (£1.9m). £0.7m of this will be funded via the Hospital Discharge Programme, and the remaining £5.1m will be wholly funded from Government emergency funding received by the LA leaving no in year pool Covid pressure.

### **Recommendations**

- 2.1 ICB notes the £0.2m over performance position being forecast in relation to non-Covid pool budgets as at the end of September.
- 2.2 ICB note that as at the end of June, £5.8m of Covid costs are forecast against the Health & Social Care Pool Budget. £0.7m of this will be funded via the Hospital Discharge Programme, and the remaining £5.1m will be wholly funded from Government emergency funding received by the LA leaving no in year pool Covid pressure.

### **Reason for Recommendation**

- 3.1 This report updates the ICB on the Health and Social Care pooled budgets for 2021/22 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 2021/22 builds on the shadow pool that was operated by the ICB in 2017/18 and is in line with previous years 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 2021/22.

<b>Table 1 - Health and Social Care Pooled Budget 2021/22</b>	
<b>2021/22 Expenditure Budgets</b>	<b>Opening 2021/22 Budget £m's</b>
<b><u>Adult's Services</u></b>	
Management, Support and Commissioning	3.1
Adults, Older People and Physical Disability	48.3
Learning Disability / Mental Health	60.2
Acute Health Care	116.5
Primary Care - Prescribing	32.2
Other Services	9.9
Adult Public Health	7.7
<b>Total Adult Pooled Services</b>	<b>277.9</b>
<b><u>Children's Services</u></b>	
Management, Support and Commissioning	2.8
Children's Early Intervention	7.2
Health Community Services	13.8
Learning Disability / Mental Health	8.0
Special Educational Needs	4.2
Acute Health Care	22.9
Children 0-19 Public Health	5.5
Cared for Children and Safeguarding	28.6
Primary Care - Prescribing	8.6
Other Services	1.8
<b>Total Children's Pooled Services</b>	<b>103.4</b>
<b>Total Health and Social Care Pooled Budgets</b>	<b>381.3</b>
<b><u>Contribution from Partners</u></b>	
CCG	-275.3
LA	-106.0
<b>Total Contributions</b>	<b>-381.3</b>
<b>Opening Position</b>	<b>0.0</b>

## 5.2 NHSE Current Arrangements

The CCG received allocations in months 1-6 which enabled a breakeven position to be reported. Funding has yet to be confirmed for months 7-12, but for the purposes of reporting is forecast to be in line with funding received for months 1-6.

5.3 Table 2 shows the outturn position against the Health & Social Care Pooled Budget for 2021/2022.

<b>Table 2 - Health and Social Care Pooled Budget 2021/22</b>				
<b>September Forecast position</b>	<b>2021/22 Budget</b>	<b>2021/22 Forecast</b>	<b>Variance</b>	<b>Narrative</b>
	<b>£m's</b>	<b>£m's</b>	<b>£m's</b>	
<b><u>Expenditure Budgets</u></b>				
<b><u>Adult's Services</u></b>				
Management, Support and Commissioning	3.0	3.0	0.0	
Adults, Older People and Physical Disability	47.3	49.1	1.8	There are £1.9m LA Covid pressures forecast against this area. This is partially offset by a £0.1m underperformance against CHC budgets.
Learning Disability / Mental Health	60.3	60.4	0.1	Over performance against Adult database beds activity.
Acute Health Care	116.0	116.0	0.0	
Primary Care - Prescribing	32.3	32.4	0.1	£0.1m of pressures against Prescribing budgets.
Other Services	9.2	9.2	0.0	
Adult Public Health	5.9	5.9	0.0	
<b>Total Adult Pooled Services</b>	<b>274.0</b>	<b>276.0</b>	<b>2.0</b>	
<b><u>Children's Services</u></b>				

Management, Support and Commissioning	2.4	2.4	0.0	
Children's Early Intervention	7.4	7.4	0.0	
Health Community Services	12.5	12.5	0.0	
Learning Disability / Mental Health	7.7	7.8	0.1	There is a £0.1m pressure against Children's Health budgets.
Special Educational Needs	4.3	4.3	0.0	
Acute Health Care	22.8	22.8	0.0	
Children 0-19 Public Health	5.5	5.5	0.0	
Cared for Children and Safeguarding	29.1	33.0	3.9	£3.9m of LA Covid pressures are forecast against Children's Services.
Primary Care – Prescribing	8.6	8.6	0.0	
Other Services	2.1	2.1	0.0	
<b>Total Children's Pooled Services</b>	<b>102.4</b>	<b>106.4</b>	<b>4.0</b>	
<b>Total Health and Social Care Pooled Budgets</b>	<b>376.4</b>	<b>382.4</b>	<b>6.0</b>	The forecast variance of £6.0m represents:- - £5.8m of LA Covid pressures before adjusting for Covid funding. - A £0.2m over performance against health budgets
<b><u>Contribution from Partners</u></b>				
CCG	-271.6	-272.3	-0.7	-The CCG are contributing an additional £0.7m above budget in relation to HDP claims from the LA for April to September.
LA	-104.8	-109.9	-5.1	- The LA are contributing an additional £5.1m from Government Emergency Covid funding to fund the Covid pressures identified.
<b>Total Contributions</b>	<b>-376.4</b>	<b>-382.2</b>	<b>-5.8</b>	

<b>Forecast Position</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	
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- 5.4 As at the end of September the LA is reporting a nil variance against non-Covid budgets and a £5.8m Covid pressure (£3.9m against Children’s Social Care and £1.9m against Adult Social Care). The Covid pressure is forecast to be funded from a combination of Covid related health funding (£0.7m) and Government emergency funding received by the LA (£5.1m) leaving no in year pool Covid pressure.
- 5.5 There is a forecast over performance against pooled CCG budget of £0.2m which relates to Adult database beds activity (£0.1m), an overspend against Adult prescribing budgets (£0.1m), an overspend on Children’s health budgets (£0.1m), offset by and underperformance against Adults CHC budgets (£0.1m). It is anticipated that the over performance will be funded from national funding, but this will not be reflected in the Pool until the allocation is received. Once this allocation is received the Pool will show a breakeven position.

5.6 **Aligned Services**

There are a number of aligned services which sit outside of the pooled budget which are listed in table 3. 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.

<b>Table 3 - Aligned Services</b>		
<b>Service</b>	<b>Host</b>	<b>Budget £000's</b>
Health Protection	PH	160
Physical Activity	PH	544
Other Public Health	PH	1,192

Link4Life	PH	2,403
Management and Strategy	CSC	243
Shared Services with Bury	CSC	658
Sufficiency and Access	CSC	53
School Improvement, Organisation and Personnel	CSC	897
Educational Psychology/coordinator	CSC	460
Regional Adoption Agency	CSC	1,219
Primary Care	CCG	6,724
Acute Services	CCG	59,860
Core Running Costs	CCG	4,122
Primary Care & Co Commissioning	CCG	40,170
Other CCG	CCG	1,680
<b>Total Aligned Services</b>		<b>120,385</b>

### Risk and Policy Implications

- 6.1 The pooled budget has been agreed to be operated in 2021/22. 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 2021/22 in line with the 2020/21 agreement. This is as a consequence of the different financial regimes and funding for COVID and will be revisited for 2022/23.
- 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 CCG Monitoring Working Papers	Number 1 Riverside 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