

## Report to Integrated Commissioning Board



Date of Meeting	29 <sup>th</sup> March 2022
Portfolio	Cabinet member for Health & Wellbeing
Report Author	Jonathan Evans (Chief Finance Officer – Health & Social Care integration)
Lead Officer	Jonathan Evans (Chief Finance Officer – Health & Social Care integration)
Public Document	Public

### Pooled Fund Opening Budgets 2022/23

#### Executive Summary

- 1.1 To update the Integrated Commissioning Board on the Pooled fund opening budget and proposed risk share arrangements for 2022/23.
- 1.2 The Local Authority approved a balanced 2022/23 budget at Budget Council on the 3rd of March. The CCG Governing Body approved a draft budget for 2022/23 on 18th March in line with the allocations received. The final CCG budgets will not be confirmed until the 28<sup>th</sup> of April as per the national NHS timetable.
- 1.3 The latest guidance for 2022/23 states that CCGs will continue under command & control paying NHS providers block contract payments.
- 1.4 The CCG has modelled the potential expenditure that the CCG may incur in 2022/23 in line with the operational planning guidance issued by National Health Service England (NHSE).

#### Recommendation

- 2.1 Members are asked to note the approved opening budget for the Council and approved draft budget for the CCG.
- 2.2 The Report recommends the continuation of the Section 75 agreement for 2022/23 and that the Chief Executive is given delegated authority to sign the documentation for the Section 75 agreement.
- 2.3 The Report is recommending that the pausing of the risk share within the Section 75 continues in 2022/23 and that both partners continue to be responsible for their own pooled fund gap.

- 2.4 The CCG will cease to exist as a legal entity from the 1<sup>st</sup> of July 2022 on the assumption that the Health & Social Care Bill will be passed by this date. The Integrated Care Board (ICB) across Greater Manchester will be the successor organisation as such will be a party to the Section 75 with the Council following novation of the Section 75 to the ICB.

#### Reason for Recommendation

- 3.1 This report updates the ICB on the Health and Social Care pooled budgets for 2022/23 in line with National Health Service England (NHSE) guidelines. As part of operating a pooled budget regular monitoring reports are required.
- 3.2 The BCF has been excluded from the pooled fund 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 2022/23 builds on the shadow pool that was operated by the ICB in 2017/18 and is in line with 2018/19 to 2021/22 reporting; therefore, there are no alternatives to consider.

#### Costs and Budget Summary

##### 5.1 Local Authority Revenue Budget 2022/23

##### General Fund Summary Estimates 2022/23-2024/25

	Service	2022/23	2023/24	2024/25
		£'000	£'000	£'000
1	Adult Care	60,146	70,254	77,581
2	Children's Services	64,039	63,834	63,879
3	Economy	17,669	17,935	18,095
4	Neighbourhoods	54,214	55,293	56,874
5	Resources	11,573	8,991	9,312
6	Public Health and Wellbeing	21,339	21,431	21,455
<b>7</b>	<b>Total</b>	<b>228,980</b>	<b>237,738</b>	<b>247,196</b>
8	Finance Control	31,591	34,115	35,394
9	Contingency	14,835	9,154	10,159
10	Collection Fund Deficit	8,152	1,748	0
11	Budget Pressures Fund	1,000	2,000	3,000
12	Saving Proposals (subject to consultation)	(123)	(323)	(323)

	<b>Service</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
13	Contribution To/(From) Reserves/Balances	(3,117)	(2,075)	604
14	Government Grant b/f via Reserves re Collection Fund Deficit 2021/22	(12,935)	0	0
15	Contribution To/ (From) Unusable Reserves (Depreciation)	(19,436)	(19,435)	(19,462)
16	Contribution To Integrated Pool Fund	110,850	114,987	119,521
17	Contribution (From) Integrated Pool Fund	(110,850)	(114,987)	(119,521)
<b>18</b>	<b>Total Budget Requirement</b>	<b>248,947</b>	<b>262,922</b>	<b>276,568</b>
	<b>Resources</b>			
	<b>Locally Generated Funding</b>			
19	Council Tax	(100,037)	(104,657)	(110,051)
20	Business Rates Retained	(61,768)	(67,320)	(68,095)
21	Total Locally Generated Funding	(161,805)	(171,977)	(178,146)
	<b>Government Grants</b>			
22	General Grants	(48,845)	(48,021)	(51,000)
23	Business Rates Top-Up Grant	(38,297)	(38,335)	(38,376)
24	Total Government Grants	(87,142)	(86,356)	(89,376)
<b>25</b>	<b>Total Resources</b>	<b>(248,947)</b>	<b>(258,333)</b>	<b>(267,522)</b>
<b>26</b>	<b>Unfunded Ongoing Requirement</b>	<b>0</b>	<b>4,589</b>	<b>9,046</b>

5.2 In March 2021 the Council set a balanced budget for 2021/22, with an estimated budget gap of £5.127m for 2022/23. In February 2022 the Council set a balanced budget for 2022/23, having addressed the forecast gap through the implementation of a £600k savings programme totalling, a further 1% increase in Council Tax via the Adult Social Care precept, an increase in social care grant funding, and via the use of reserves.

5.3 The Council has continued to experience Covid related pressures, which to date have been met using one-off Government Grants. A budget of £4.23m has been set aside in 2022/23 to fund potential LA Covid pressures.

5.4 The Council has an estimated budget gap to address of £4.589m in 2023/24 rising to £9.046m in 2024/25.

#### 5.5 Pooled Fund – Local Authority

5.6 The pooled fund includes Adult Social Care, Public Health and some Children’s Social Care services from the Local Authority. The table below shows the value of the LA’s pooled budgets by service area: -

<b>Service Area</b>	<b>£’000</b>
Adult Social Care	55,159
Children’s Services	42,307
Public Health	13,384
<b>Total Pooled Budget</b>	<b>110,850</b>

## 6.1 CCG Draft Budgets 2022/23

The CCG submitted its latest draft of the financial plan for 2022/23 on the 14<sup>th</sup> of March 2022 to Greater Manchester Health & Social Care Partnership (GMH&SCP). GMH&SCP are combining the draft financial plans for commissioners and providers to be submitted at an Integrated Care Board (ICB) level. The plan is for the full year 2022/23 but it should be recognised that this is still subject to the Health and Social Care Bill being passed, CCGs will no longer exist from 1<sup>st</sup> July 2022 as per the national move to an Integrated Care Board (ICB) across Greater Manchester.

### CCG Draft Budget 2022/23

<b>HMRCCG Budget 2022-23</b>	
<b>Area of Spend</b>	<b>£'000</b>
Acute	£207,523
Mental Health	£44,195
Community	£49,652
CHC	£15,641
Primary Care	£10,748
Prescribing	£44,152
Co-Commissioning	£38,490
Other	£13,615
Running Costs	£4,153
QIPP	-£3,368
<b>Total</b>	<b>£424,801</b>
<b>Allocations</b>	<b>£'000</b>
Core Allocations	£367,591
Growth Funding	£11,659
Health Inequalities	£1,250
Maternity (Ockenden)	£434
Transforming Community Services	£1,224
Co-Commissioning	£38,490
Running Costs	£4,153
<b>Total</b>	<b>£424,801</b>
<b>Variance</b>	<b>£0</b>

## 6.2 Pooled Fund – CCG

6.3 The table below shows the value of the CCG pooled budgets by service area which is in line with the national guidance for allowable health funding to be pooled:

<b>22-23 CCG Pooled Budget</b>	
<b>CCG Only</b>	<b>Annual Budget (£'000's)</b>
Adults	224,806
Childrens	56,129
<b>TOTAL POOL FORECAST</b>	<b>280,935</b>
BCF	19,885
Cannot Pool (due to national guidance)	56,453
Non Pool (Ambulance Services, CHC Assessments, Corporate and Primary Care excluding prescribing, other services wth some exceptions)	67,528
<b>TOTAL NON-POOL FORECAST</b>	<b>143,866</b>
<b>TOTAL POOL + NON-POOL FORECAST</b>	<b>424,801</b>

## **7.1 Combined Pooled Fund 2022/23**

<b>2022/23 Expenditure Budgets</b>	<b>Opening 2022/23 Budget £m's</b>
<b>Adult's Services</b>	
Management, Support and Commissioning	14.7
Adults, Older People and Physical Disability	52.0
Learning Disability / Mental Health	51.8
Acute Health Care	121.2
Primary Care - Prescribing	33.1
Other Services	7.2
Adult Public Health	7.8
<b>Total Adult Pooled Services</b>	<b>287.8</b>
<b>Children's Services</b>	
Management, Support and Commissioning	3.1
Children's Early Intervention	7.3
Health Community Services	14.2
Learning Disability / Mental Health	8.1
Special Educational Needs	4.3
Acute Health Care	23.7
Children 0-19 Public Health	5.6
Cared for Children and Safeguarding	27.5
Primary Care - Prescribing	8.8
Other Services	1.3
<b>Total Children's Pooled Services</b>	<b>103.9</b>
<b>Total Health and Social Care Pooled Budgets</b>	<b>391.7</b>
<b>Contribution from Partners</b>	
CCG	-280.9
LA	-110.8
<b>Total Contributions</b>	<b>-391.7</b>
<b>Opening Position</b>	<b>-</b>

### **8.1 Section 75 and Proposed Risk Share Approach**

Due to the NHS finance regime of national command and control in 2021/22 the pooled fund risk share was suspended and both organisations took responsibility for any over and underspends which could be attributed to their statutory services. This did not impact upon the flexibilities and the operation of a pooled budget but did remove uncertainties for the LA which were outside of the localities control. Joint decision making, and collective governance continued around strategic direction and service delivery whilst allowing each statutory organisation to manage its recovery plan following Covid 19. The recommendation is continuing to pause the risk share in 2022/23 due to the national direction that the CCG will cease from the 1<sup>st</sup> of July 2022.

<b>Risk and Policy Implications</b>
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- 9.1 The key financial risks to the Pooled fund are the financial impacts of dealing with the COVID pandemic and that the CCG allocation does not cover the expected costs in 2022/23.

<b>Consultation</b>
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- 10.1 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.

<b>Background Papers</b>	<b>Place of Inspection</b>
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11.1	Not Applicable
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<b>For Further Information Contact:</b>	Jonathan Evans – Chief Finance Officer J.Evans13@nhs.net
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