

## **Report to Commissioning Partnership Board**

**Date:**

Thursday, 28 March 2019

**Subject:**

Section 75 Budget Monitoring

**For Approval**

**Report of:**

Ben Galbraith (CFO Oldham CCG)  
Anne Ryans (DOF Oldham Council)

**Portfolio holder:**

Councillor Zahid Chauhan

**Sign-off:**

Joint Leadership Team

---

**Summary of issue:**

Section 75 agreements exist between Local Authorities and the NHS nationally for the pooling of budgets to facilitate closer working. Historically Oldham Council & Oldham CCG have entered into such an agreement. The scope of services contained within the Section 75 agreement has increased considerably for 2018/19 as a result of exploring more integrated ways of working across the health & social care economy. The main purpose is to facilitate a whole system approach to deliver care where & how it needs to be delivered to the citizens of Oldham.

The purpose of this report, which has been presented and approved by Joint Leadership Team on 18th March 2019, is to set out the budget monitoring position as at month 9 in respect of the Section 75 pooled budget arrangements for Oldham Cares.

**Recommendations to JLT:**

- To note the month 9 position.
- To note the contents of this report and its approval by the Joint Leadership Team on Monday 18th March 2019.

---

## 1. Report details

- 1.1 The initial Section 75 agreement for Oldham Cares for 2018/19 encompassed pooled budgets totaling £135.625m. This has reduced to £131.697m with the movement of resources and virements between budgets in and outside of the pool. Against the revised budget there is a forecast adverse variance of £5.108m, summarised in the table below and is analysed in more detail in Appendix 1.

	Month 9 Position			
	Original Budget	Revised Budget	Forecast	Variance
	£m	£m	£	£m
Pooled Aligned Budget	125.0	125.0	130.1	5.1
Community Equipment Pooled Budget	1.4	1.4	1.4	0.0
Transformation Fund	9.2	5.3	5.3	0.0
<b>Total Pooled Funds</b>	<b>135.6</b>	<b>131.7</b>	<b>136.8</b>	<b>5.1</b>

- 1.2 Oldham Council is reporting a pressure of £1.615m within the Pooled Aligned Budgets for which it is the lead commissioner/ provider. This is an increase of £0.809m from the month 8 reported figures mainly due to increases in the complexity of care packages for people receiving care at home plus an increase in the number of people in short stay placements. The forecast over spend relates to community care placements, linked to Learning Disability and Mental Health and also Older People and Safeguarding. The over spend is offset by favourable variances from income generation and salaries costs; these variances relate to budgets which are not currently within the Section 75 agreement. This therefore means that, the Health and Adults Social Care Community Services portfolio is forecasting a balanced outturn and as such does not currently present a financial risk to Oldham Cares or the wider integrated health economy in Oldham.
- 1.3 Correspondingly the CCG is reporting an adverse variance of £3.493m within the Pooled Aligned Budget for which it is the lead commissioner. This has been principally caused by under-delivery of CCG efficiency measures (“QIPP schemes”) of £2.511m as at month 9 due to delayed implementation of the CCG’s Choice and Equity Policy. This is offset by forecast savings from the CCG reducing the number and cost of out of borough placements. This is an increase of £0.774m from the month 8 reported figures mainly due to an increase in the number of mental health & CHC placements. The over spend within CCG elements of the pooled fund is to be managed through non-recurrent resources held by the CCG outside the section 75 agreement.
- 1.4 During the month, Oldham Cares has reviewed its forecast expenditure from the Transformation Fund. As a result of slippage against the schemes, the forecast expenditure for 2018/19 has reduced. The funding supporting this expenditure has been agreed with Greater Manchester Health and Social Care Partnership to be re-phased into 2019/20. A final forecast exercise will take place in Q4 to ensure

---

the funding matches the forecast expenditure, with any slippage to be carried forward in to future years.

- 1.5 Previously it had been reported that Oldham Council's contribution to the pooled budget had increased by £5.900m in 2018/19 to allow the system to access funds in 2019/20 to benefit the coordinated approach to Health and Social Care. Subsequently alternative resources have been identified by Oldham CCG that will enable the local system to achieve the same objectives without the additional contribution from the Council.

The impact of the previously proposed variations to the respective contributions has therefore been removed from the tables below.

	<b>Revised Budget</b>	<b>Forecast</b>	<b>Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
OMBC Contribution	64.2	65.8	1.6
CCG Contribution	60.8	64.3	3.5
<b>Total Contribution</b>	<b>125.0</b>	<b>130.1</b>	<b>5.1</b>

## **2. Financial implications**

- 2.1 The financial position is included in the body of the report.

## **3. Legal implications**

- 3.1 N/A

## **4. HR / People implications**

- 4.1 N/A

## **5. Links to Council/CCG values**

- 5.1 N/A

## **6. Communications – comments/implications**

- 6.1 N/A

## **Appendix 1**



Appendix 1.xlsx