

Commissioning Partnership Board Report

Decision Maker	Commissioning Partnership Board
Date of Decision:	27th June 2019
Subject:	Section 75 Outturn Position 2018-19
Report Author:	Anne Ryans (Director of Finance, Oldham Council) Ben Galbraith (Chief Finance Officer, Oldham CCG)

Reason for the decision:	N/A
Summary:	To report the Oldham Cares 2018-19 financial outturn against the Section 75 pooled budget
<i>What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):</i>	N/A
Recommendation(s):	Note the Oldham Cares 2018/19 outturn position.
Implications:	
<i>What are the financial implications?</i>	Financial implications are within the body of the report
What are the procurement implications?	N/A
<i>What are the legal implications?</i>	N/A
<i>What are the Human Resources implications?</i>	N/A

Equality and Diversity Impact Assessment attached or not required because (please give reason) N/A

What are the **property** implications? N/A

Risks: N/A

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution/CCG's Standing Orders? N/A

Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the S.75 budget? Yes

Are any of the recommendations within this report contrary to the Policy Framework of the Council/CCG? N/A

Reason(s) for exemption from publication: N/A

Reason why this is a Key Decision N/A

There are no background papers for this report

Report Author Sign-off:	Anne Ryans & Ben Galbraith
Date:	30 th May 2019

Appendix number	Description
1	Analysis of the Section 75 Pooled Budget

Background:

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

The purpose of the report is to set out the outturn position in respect of the Section 75 pooled fund for Oldham Cares for 2018/19. The Commissioning Partnership Board (CPB) will recall that Section 75 monitoring reports were presented at months 6, 8 and 9 during the 2018/19 financial year.

The contents of the report have been considered by the Joint Leadership Team and it is now presented to the Commissioning Partnership Board for information.

Report details

- 1.1 The initial Section 75 agreement for Oldham Cares for 2018/19 encompassed pooled funds totaling £135.625m, comprised of a Pooled Aligned Budget (£124.986m), a Pooled Budget of £1.447m and Greater Manchester (GM) Health and Social Care Partnership Transformation Funding of £9.192m. This reduced to £133.462m with the movement of resources and virements between budgets in and outside of the pool. Against the revised budget there was an adverse year-end variance of £8.812m, summarised in the table below and analysed in more detail in Appendix 1.

	2018-19 Year End Position			
	Original Budget	Revised Budget	Outturn	Variance
	£m	£m	£	£m
Pooled Aligned Budget	124.986	126.090	135.137	9.047
Community Equipment Pooled Budget	1.447	1.401	1.401	0.000
Transformation Fund	9.192	5.971	5.736	(0.235)
Total Pooled Funds	135.625	133.462	142.274	8.812

- 1.2 Oldham Council had a year-end adverse variance of £4.325m, all within the Pooled Aligned Budgets for which it was the lead commissioner/ provider. The major contributing factor was pressures within community care placements, linked to Learning Disability and Mental Health and also Older People and Safeguarding and was a continuation of the position reported throughout the year. This was an increase of £2.710m from the variance of £1.615m reported at month 9, linked to:

- Increases in the complexity of care packages for people receiving care at home,
- Enhanced bank holiday payments over the Christmas period,
- An increase in the number of people in short stay placements over and above the level of activity that had been forecast at month 9.

- 1.3 The adverse variance at the year-end was offset by favourable variances from income generation and salaries costs; these variances relate to budgets which sit outside of the Section 75 agreement in 2018/19. This therefore meant that, the Health and Adults Social Care Community Services portfolio had a balanced outturn and as such presented no financial risk to Oldham Cares or the wider integrated health economy in Oldham at the end of 2018-19.

- 1.4 Correspondingly the CCG reported an adverse variance of £4.487m being £4.722m within the Pooled Aligned Budget for which it is the lead commissioner (compared to £3.493m at month 9) offset by a £0.235m underspend against the 2018/19 allocation of the Transformation Fund.
- 1.5 The overspend within the Pooled Aligned Budget (£4.722m) was principally caused by under-delivery of CCG efficiency measures of £3.172m (£2.511m as at month 9). The over spend within CCG elements of the pooled fund has been managed through non-recurrent resources held by the CCG outside the section 75 agreement.
- 1.6 Also within the Pooled Aligned Budget, the CCG also reported a net overspend of £0.260m in respect of mental health cases caused by increases in the number of mental health placements.
- 1.7 As previously mentioned, in addition to the above, Oldham Cares also reported an underspend of £0.235m against transformation schemes for 2018/19. This principally related to late confirmation of spend by partners, where budgets were not able to be re-profiled into future years. Oldham CCG, as holder of the funding, will re-instate this underspend into 2019/20 so that it remains available to the local economy.
- 1.8 The table below shows the respective adverse variances for both the Council and the CCG compared to the final resource allocation contained within the Section 75 agreement. It should be noted that the figures differ to those included within the Pooled Funds note which forms part of the financial statements of each organisation. This is because the pooled fund note shows the revenue resource available as being equal to the expenditure incurred, rather than as deficit that is made good by offsetting variances from resources outside of the pool.

	Revised Budget	Outturn	Variance
	£m	£m	£m
OMBC Contribution	65.553	69.878	4.325
CCG Contribution	67.909	72.396	4.487
Total Contribution	133.462	142.274	8.812

Proposals:

Not applicable.

Conclusion:

It is recommended that the Commissioning Partnership Board note the Oldham Cares 2018/19 outturn position.