

Commissioning Partnership Board Report

Decision Maker	Commissioning Partnership Board
Date of Decision:	Thursday 27th February 2020
Subject:	Section 75 2019-20 Month 8 Monitoring Report
Report Author:	Anne Ryans (Director of Finance, Oldham Council) Ben Galbraith (Chief Finance Officer, Oldham CCG)
Report Reference:	CPB-18-19

Reason for the decision:	To consider the 2019/20 Oldham Cares Section 75 pooled budget monitoring position as at month 8.
Summary:	The report sets out the 2019/20 Oldham Cares Section 75 (S.75) pooled budget monitoring position as at month 8. It shows a budget of £157.67m and a year end forecast of £162.50m producing an adverse variance of £4.83m. Most of this variance relates to Oldham Council services, the majority of which is offset by favourable variances outside the S75 budget areas, as such there is no anticipated financial risk to Oldham Cares or the wider integrated economy at the end of 2019/20.
<i>What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):</i>	The alternatives that might be considered are: a) To note the contents of the report b) To challenge the contents and recommendations in the report

It is recommended that the Commissioning Partnership Board notes this report as it sets out the most up to date financial forecast for the budgets within the S75 Agreement for 2019/20.

Recommendation(s):

The Commissioning Partnership Board notes the Oldham Cares S75 financial monitoring report at month 8 2019/20.

Implications:

*What are the **financial** implications?* Financial implications are within the body of the report

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

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

*What are the **Human Resources** implications?* 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 This is not a key decision

List of Background Papers under Section 100D of the Local Government Act 1972:

Background papers are the reports as follows:

Oldham CCG's Forecast Financial Outturn Position (Month 8) – presented to the CCG's Finance and Contracts Committee on 11th December 2019.

Oldham Council Revenue Monitor and Capital Investment Programme 2019/20 Month 8 November 2019 – presented to the Cabinet meeting of 10 February 2020.

Report Author Sign-off:	
	Anne Ryans & Ben Galbraith
Date:	29 th January 2020

Appendix number or letter	Description
1	Analysis of the Section 75 Pooled Budget

Background:

- 1.1 Section 75 (S.75) agreements exist between Local Authorities and the NHS nationally for the pooling of budgets to facilitate closer working. Oldham Council and Oldham CCG have entered into such an agreement to facilitate a whole system approach to deliver care to the citizens of Oldham. A revised agreement is being drafted to incorporate a wider range of service areas from both the Council and CCG, however, this has yet to be formally agreed. Until then, only the items of expenditure included as part of the 2018/19 signed agreement remain within the scope of the S.75 agreement, and it is the spend on these categories, updated for 2019/20 values, that are reported here.
- 1.2 The purpose of this report is to set out the month 8 position in respect of the Section 75 pooled fund for Oldham Cares for 2019/20. It should be noted that the Better Care Fund plan for 2019/20 has been approved by the Health & Wellbeing Board and confirmed by the Department of Health and Social Care and the Department for Communities and Local Government.
- 1.3 The contents of the report have been considered by the Joint Leadership Team and it is now presented to the Commissioning Partnership Board for noting.

Report Details:

- 2.1 Whilst work is progressing to finalise the Section 75 agreement for 2019/20, this report has been produced on the basis of the 2018/19 Section 75 agreement. The figures and schemes summarised in the table below and included in Appendix 1 attached.

	Month 8		
	Budget £m	Forecast £m	Variance £m
Pooled Aligned Budget	147.34	152.17	4.83
Community Equipment Pooled Budget	1.40	1.40	-
Transformation Fund	8.93	8.93	-
Total Pooled Funds	157.67	162.50	4.83

- 2.2 The pooled aligned budget of £147.34m above can be further analysed as follows:

	Budget £m	Forecast £m	Variance £m
OMBC Contribution	76.39	80.69	4.30
CCG Contribution	70.95	71.48	0.53
Total Pooled Funds	147.34	152.17	4.83

The table above includes an increased contribution of £5.9m to the pool by Oldham Council. This contribution is being used by the CCG to invest in service changes which will yield benefits over the coming years allowing for differential contributions to the pooled fund from 2021/22 onwards.

- 2.3 Oldham Council is reporting an adverse variance of £4.30m as at month 8. The major contributing factors are pressures within community care placements, linked to people with learning disabilities, physical disabilities, sensory and memory and cognitive need.
- 2.4 The Council's adverse variance is offset by favourable variances from income generation and salaries costs; these variances relate to budgets that were outside of the Section 75 agreement in 2018/19. The whole of the Community Health and Adults Social Care Services portfolio is currently forecasting an overspend of £1.036m, as included in the Council's month 8 budget monitoring report that was presented to Cabinet on 10 February 2020. The Service is working towards reducing the adverse outturn, predominantly through the application of management actions and reserves specifically ring-fenced to the portfolio are available to offset any remaining overspend, should they be required. Therefore, based on the 2018/19 agreement, there is no anticipated financial risk to Oldham Cares or the wider integrated health economy in Oldham at the end of 2019/20.
- 2.5 At month 8 the CCG is reporting a forecast net pooled budget over-spend of £0.5m, principally in respect of increased usage of mental health inpatient beds at Pennine Care Foundation Trust which are managed through a North East Sector risk share arrangement.
- 2.6 In addition there are variances within the category of continuing health care spend (between CHC and intermediate care placements). Collectively these have an insignificant net over spend.
- 2.7 Within the Pooled Aligned budget, the CCG continues to forecast the delivery of its identified savings schemes.
- 2.8 The CCG is utilising the additional contribution of £5.9m made by the Council (as described in section 2.2 above), to facilitate investment in services totaling £8.4m that sit outside of the pooled budget.
- 2.9 Oldham CCG also hosts the Oldham Cares Transformation Fund received from Greater Manchester Health and Social Care Partnership (GMHSCP). As at month 8, the CCG had received £7.2m of allocations in relation to the Oldham Locality Schemes, which has been applied to a variety of programmes as approved by Commissioning Partnership Board. At month 8 the full value of the allocations to be received within the year is expected to be spent. Discussions are ongoing with GMHSACP to ensure sufficient allocations are received in line with the forecast spend of transformation schemes.

Proposals:

It is proposed that the Commissioning Partnership Board considers and notes the Oldham Cares Section 75 financial monitoring position as at month 8 2019/20.

Conclusions:

It is recommended that the Commissioning Partnership Board notes the Oldham Cares S75 financial monitoring report at month 8 2019/20.