

## Commissioning Partnership Board

<b>Decision Maker</b>	<b>Commissioning Partnership Board</b>
<b>Date of Decision:</b>	<b>25th March 2021</b>
<b>Subject:</b>	<b>Section 75 Months 8 and 9 Position Report</b>
<b>Report Author:</b>	<b>Anne Ryans (Director of Finance, Oldham Council) Ben Galbraith (Chief Finance Officer, Oldham CCG)</b>
<b>Report Reference:</b>	

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<b>Reason for the decision:</b>	To consider the Oldham Cares Section 75 pooled fund forecast position for Months 8 and 9.
<b>Summary:</b>	The report sets out the Oldham Cares Section 75 (S.75) pooled fund forecast at the end of months 8 and 9 in the 2020/21 financial year. It shows a forecast of £183.038m at month 9 (£182.069. month 8) compared to a budget of £180.673m resulting in an adverse variance of £2.365m at month 9 (£1.397m at month 8).
<b><i>What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):</i></b>	<p>The alternatives that might be considered are:</p> <ul style="list-style-type: none"><li>a) To note the contents of the report</li><li>b) To challenge the contents and recommendations in the report</li></ul> <p>It is recommended that the Commissioning Partnership Board notes this report as it sets out the forecast position for the budgets within the S75 Agreement for months 8 and 9 2020/21.</p>

**Recommendation(s):** The Commissioning Partnership Board notes the 2020/21 Oldham Cares S.75 months 8 and 9 forecast position report.

**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

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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

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**Reason why this is a Key Decision** Financial Implications

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

Background papers are the reports as follows:

Month 6 Monitoring Report presented to the Commissioning Partnership Board of 28 January 2021

<http://decisionrecording.oldham.gov.uk/ieListDocuments.aspx?CId=548&MId=7906&Ver=4>

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<b>Report Author Sign-off:</b>	
	Anne Ryans & Ben Galbraith
<b>Date:</b>	17 <sup>th</sup> March 2021

<b>Appendix number or letter</b>	<b>Description</b>
1	Forecast Outturn Months 8 & 9

## **1 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 for a number of years. Originally the S.75 agreement covered expenditure funded by the Better Care Fund. The agreement initially expanded to include the Improved Better Care Fund and the Winter Resilience Grant. The Council and the CCG have also chosen to further widen the scope of the agreement to incorporate a number of areas where services are being commissioned jointly. The main purpose is to facilitate a whole system approach to deliver care where and how it can be best delivered to the citizens of Oldham.
- 1.2 An area that is pooled and therefore included in the S.75 agreement, is the Transformation Fund. This is a grant that was allocated to the Oldham Locality to transform the Health and Social Care system to provide better and more efficient outcomes to the residents of Oldham. Whilst changes have occurred with regards to the total grant available due to national funding regimes being in place for the majority of the year, Transformation funded schemes that were being delivered at the beginning of 2020/21 have been funded for the year from both resources provided to the CCG and NHS providers directly where they were the delivery partners.
- 1.3 An addition to the S.75 agreement that will be pooled in 2020/21 are the resources that the CCG and OMBC have used in dealing with the COVID-19 pandemic, particularly in relation to the Hospital Discharge Programme (HDP). Both parties' costs have, in part, been refunded from the NHS, with OMBC being reimbursed via the CCG. In order to remove unnecessary variations from the initial position, a budget has been introduced to match forecast costs. In addition, the Council has received Central Government funding via the Ministry for Housing, Communities and Local Government (MHCLG), to support the Councils overall net revenue budget. This has not been applied directly to Portfolios budgets, as it is being used to underpin the corporate financial position and is therefore not included in the figures being reported within the S.75 agreement
- 1.4 The purpose of this report is to present the month 8 and month 9 positions in respect of the Section 75 pooled fund for Oldham Cares for 2020/21 (based on 2018/19 reporting requirements). A revised and updated 2020/21 S.75 agreement is being presented elsewhere on the agenda. Therefore, this report has been prepared on the assumption that the revised and updated S.75 Agreement is approved with the financial position reflected accordingly.

## **2 Current Position**

- 2.1 As advised above, this report has been produced on the basis that the 2020/21 S.75 agreement elsewhere on the agenda is approved and the budget therefore revised to reflect the position included in the tables below. Full detail is shown in Appendix 1.

**Table 1 – Overall Budget and Month 8 and 9 Variances**

	2020/21	Month 8		Month 9	
	Budget	Forecast	Variance	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000
Pooled Aligned Budget	145,867	147,681	1,815	148,388	2,521
Community Equipment Pooled Budget	1,448	1,450	2	1,450	2
Transformation Fund	11,191	11,171	- 20	11,113	(78)
Covid-19 Expenditure Including HDP	22,167	21,767	(400)	22,087	(80)
<b>Total Pooled Funds</b>	<b>180,673</b>	<b>182,069</b>	<b>1,397</b>	<b>183,038</b>	<b>2,365</b>

**Table 2 - Total Pooled Funds analysed between the Council and the CCG**

	2020/21	Month 8		Month 9	
	Budget	Forecast	Variance	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000
Total OMBC Contribution	63,189	68,109	4,920	65,932	2,743
Total CCG Contribution	117,484	113,960	(3,524)	117,106	(378)
<b>Total Contribution</b>	<b>180,673</b>	<b>182,069</b>	<b>1,397</b>	<b>183,038</b>	<b>2,365</b>

- 2.2 Oldham Council is reporting an adverse variance of £2.743m at month 9 (£4.920m as at month 8). The major contributing factors are pressures within community care placements, especially those linked to people with learning disabilities and poor mental health. Of the total variance, £2.742m is attributed to 'business as usual' activity. In month 8 there was also £2.378m of additional costs borne directly by the Council which were attributable to the pandemic. These have reduced as estimates were revised and some of the additional cost could be supported by the NHS.
- 2.3 The operational adverse variance (£2.743m) will be offset by favourable variances from income generation and reduced salaries costs; these variances relate to budgets that are currently outside the scope of the Section 75 agreement. The Community Health and Adults Social Care Services portfolio forecast a 'business as usual' underspend of £4.398m at month 9 (£1.560m overspend at month 8), excluding spend that has resulted from the COVID-19 pandemic. Therefore, there is currently no anticipated financial risk to Oldham Cares or the wider integrated health economy in Oldham at the end of 2020/21.
- 2.4 At Month 9 Oldham CCG is reporting a pooled budget underspend of £0.378m (£3.524 at month 8).
- 2.5 The financial reporting regime for CCGs for 2020/21 consists of 2 distinct elements. Firstly, for months 1 to 6 (April – September), CCGs were funded retrospectively for all costs reasonably incurred in commissioning services and responding to the

Coronavirus pandemic. For months 7 to 12 (October to March), the Greater Manchester Integrated Care System (ICS) has been allocated resources through GM Health and Social Care Partnership (GMHSCP) which are then allocated to CCG's on the basis of submitted budgets. The CCG is then required to work within these budgets with the exception of the Hospital Discharge Plan and Elective Incentive Scheme funding which has continued to be funded outside of months 7 to 12 funding envelopes on a retrospective basis

- 2.6 As part of the budgeting process for 2020/21, NHS England has imposed block contract values on CCGs and NHS provider Trust and Foundation Trusts. These are of set values and exist within the budgets presented.
- 2.7 Oldham CCG also hosts the Oldham Cares Transformation Fund which it receives from the GMHSCP. However, owing to the changes in the NHS national finance framework, specific allocations for Transformation activities are no longer received. Instead, the budget has been set at the costs incurred for months 1 to 6 and the anticipated costs for months 7 to 12.
- 2.8 The additional cost of dealing with the COVID-19 pandemic for Community Health and Adult Social Care is pooled within the S.75 agreement. The total cost forecast for 2020/21 at month 9 for OMBC is £16.793m (£17.815m at month 8). Of this sum, £10.833m (£9.527m at month 8) is expected to be recouped from the NHS via Oldham CCG. The Council is therefore showing a COVID related spend of £5.910m (£8.288m at month 8). Notional budget has been included to match expenditure so no overspend is showing at month 9.
- 2.9 The Council has received specific Central Government funding via the MHCLG to assist with the costs arising from the pandemic. This funding is supporting the Council's overall net revenue budget so has not been applied directly to Portfolios and is therefore not included in the figures being reported within the S.75 agreement. The main costs for Adult Social Care are packages of care for people discharged from hospital, financial support to the Care Provider community and costs to the Council itself, including unachieved efficiencies and lost income. In addition to this, the CCG incurs some expenditure directly, including the commissioning of the COVID "hot site" at the Oldham Integrated Care Centre. The cost of this element is forecast at £5.374m at month 9 (£3.952m at month 8).

## **Recommendation**

It is recommended that the Commissioning Partnership Board considers and notes the Oldham Cares Section 75 forecast positions for months 8 and 9 2020/21.