

Commissioning Partnership Board Report

Decision Maker	Commissioning Partnership Board
Date of Decision:	21 October 2021
Subject:	Section 75 2020-21 Year End Position Monitoring Report
Report Author:	Anne Ryans (Director of Finance, Oldham Council) Kate Rigden (Chief Finance Officer, Oldham CCG)
Report Reference:	

Reason for the decision: To consider the Oldham Cares Section 75 pooled budget year end position for 2020/21.

Summary: The report sets out the Oldham Cares Section 75 (S.75) pooled budget monitoring position as at the end of the 2020/21 financial year. It shows expenditure of £176.63m compared to a budget of £176.96m resulting in an under spend £0.33m. Adverse variances relating to Oldham Council services are substantially offset by favourable variances within Oldham CCG.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s): 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 outturn position for the budgets within the S75 Agreement for 2020/21.

Recommendation(s): The Commissioning Partnership Board notes the 2020/21 Oldham Cares S.75 financial monitoring 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

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 9) – presented to the CCG's Governing Body on 18th February 2021.

Oldham Council Revenue Monitor and Capital Investment Programme 2020/21 Month 9 December 2020 – as included in the March 2021 Cabinet report on the Council's month 9 budget position.

Report Author Sign-off:	
	Anne Ryans & Kate Rigden
Date:	12 October 2021

Appendix number or letter	Description
1	Analysis of the Section 75 Pooled Budget for 2020/21 financial year.

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. The agreement for 2020/21, including the CCG's increased contribution to the wider Oldham healthcare economy of £16.3m, was considered and approved at the Commissioning Partnership Board on 25 March 2021.
- 1.2 The purpose of this report is to set out the year end position in respect of the Section 75 pooled fund for Oldham Cares for 2020/21. The Commissioning Partnership Board (CPB) will recall that Section 75 monitoring reports were presented at months 6, and 8 and 9 during the 2020/21 financial year.

Report Details:

- 2.1 The Section 75 agreement for Oldham Cares for 2020/21 encompasses pooled funds totaling £176.964m, comprising of a Pooled Aligned Budget of £147.007m, a Pooled Budget of £1.447m, Greater Manchester (GM) Health and Social Care Partnership Transformation Funding of £6.547m and Covid-19 related expenditure of £21.962m. The outturn for 2021/22 was £176.63m which was £0.33m less than the budget. The figures and schemes are summarised in the table below and included in more detail at Appendix 1.

	Actual £'000	Budget £'000	Variance £,000
Pooled Aligned Budget	147,501	147,007	493
Community Equipment Pooled Budget	1,499	1,447	52
Transformation Fund	5,756	6,547	(791)
Covid-19 Expenditure Including HDP	21,875	21,962	(87)
Total Pooled Funds	176,631	176,964	(333)

- 2.2 The budget of £176.96m and outturn of £176.63m above can be further analysed as follows:

	Budget £m	Actual £m	Variance £m
OMBC Contribution	63.812	62.633	(1.179)
CCG Contribution	113.152	113.998	0.846
Total Pooled Funds	176.964	176.631	(0.333)

The table above includes an increased contribution of £16.3m to the pool by Oldham CCG. This contribution is being used by the Council to invest in service changes which will yield benefits over the coming years.

- 2.3 Oldham Council has reported an underspend against the pooled budget of £1.179m compared with an overspend of £2.743m at month 9, a decrease of £3.922m. This was as a result of a large number of anticipated cases not materialising due to the return of Lockdown in January and a greater proportion of costs being covered by the Hospital Discharge Fund via the CCG.
- 2.4 The whole of the Community Health and Adults Social Care Services portfolio has an underspend of £0.989m at the end of the 2020/21 financial year. The major contributing factors are pressures within community care placements, linked to people with learning disabilities, sensory and memory and cognitive need. These have been offset by staff vacancies.
- 2.5 As part of the COVID pandemic response, NHS England instituted a range of measures meaning the funding of NHS Oldham CCG differed in 2020/21 compared to previous years. For the first 6 months of the year, the CCG operated under a "Command and Control" model, with nationally mandated block contracts with major NHS suppliers, Independent Sector hospital capacity being centrally commissioned by NHS England, and all of the CCG's reasonable expenses being reimbursed.
- 2.6 For the second half of the year, the CCG was provided with funding allocations based on historic trends, and the NHS Trust and centralised IS contracting elements remained. NHSE also instituted a Hospital Discharge Programme (HDP), under which the CCG and Council worked together to procure short term (6 week) residential and nursing care packages at pace, in order to free up hospital capacity to treat COVID patients. This programme was fully funded.
- 2.7 The CCG has reported a net pooled budget over-spend of £1.38m on CCG commissioned services. This is principally in respect of the CCG's response to the COVID pandemic, in the second half of the financial year, including the provision of the COVID "Hot site" at the Integrated Care Centre, additional COVID related prescribing costs and additional CCG Clinical Leads and staffing support. The balance of a £0.53m underspend against the CCG contribution relates to OMBC commissioned services. This leaves the net position of an overspend of £0.85m
- 2.8 Within the Pooled Aligned budget, the CCG has reported an overspend of £0.30m, delivery of £0.7m relating to the net of pressures within CHC, Mental Health and Child and Adolescent Mental Health placements (£0.8m pressure) and underspends of £0.67m in respect of recharging other NHS bodies for the use of mental health placement beds through Pennine Care.
- 2.9 Funding was also apportioned to Transformation Fund projects, which continued from previous years. Budgets for the second half of the year were based on projected expenditure from previous years, which resulted in an underspend of £0.79m as programmes came to a conclusion.

Proposals:

It is proposed that the Commissioning Partnership Board considers and notes the Oldham Cares Section 75 financial position for 2020/21.

Conclusions:

It is recommended that the Commissioning Partnership Board notes the Oldham Cares S75 financial position report for 2020/21.