

## Commissioning Partnership Board Report

<b>Decision Maker</b>	<b>Commissioning Partnership Board</b>
<b>Date of Decision:</b>	<b>26 May 2022</b>
<b>Subject:</b>	<b>2022/23 Section 75 Agreement</b>
<b>Report Author:</b>	<b>Kate Rigden, (Chief Finance Officer, Oldham CCG) Anne Ryans (Director of Finance, Oldham Council)</b>

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**Reason for the decision:** To note the current draft version of the 2022/23 Oldham Section 75 legal document, the proposed scheme specifications included and the proposed financial contributions of the CCG and OMBC and to delegate authority for approval of the final agreement to the Director of Finance for Oldham Council and the Chief Finance Officer of Oldham CCG

**Summary:** To update the CPB on proposals for the final version of the 2022/23 Section 75 legal agreement.

The report proposes the scope and scale of the s.75 to reflect the financial value of relevant areas of OCCG draft plan for 2022/23 and an expanded portfolio from OMBC to reflect the 2022/23 budgets impacting on the wider determinants of health.

The report also recognises the complex governance arrangements which will be in place for 2022/23 due to the transfer of the s.75 to GM Integrated Care from the CCG and the level of budget delegation to Place.

***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 agree the contents of the report
- b) To challenge the contents and recommendations in the report

**Recommendation(s):**

That Members of the Commissioning Partnership Board:

a) Note the strong history of joint working and funding arrangements in Health and Social Care in Oldham

b) Note the current, draft version of the 2022/23 Oldham Section 75 Partnership Agreement as attached at Appendix 1

c) Delegate approval jointly to OMBC Director of Finance and the CCG Chief Finance Officer to finalise the S.75 Agreement including the financial expenditure and contribution figures included at Schedule 8 of Appendix 1 if required following legal review

d) Approve the intention to adopt a flexible approach to contributions to support delivery of the best services for Oldham residents.

e) Authorise the Director of Legal Services to sign the final Section 75 Agreement on behalf of OMBC and Authorised signatory on behalf of the CCG following final legal review: and

f) Note the joint governance which will be in place for 2022/23 as a result of the transfer of the S.75 agreement to GM Integrated Care following the passing of legislation relating to health and social care reform.

**Implications:**

***What are the financial implications?***

There are no direct financial implications for individual organisations as the proposed expansion is for aligning arrangement within the pool not, at present part of a formal risk share arrangement (with the exception of the community equipment budget).

***What are the procurement implications?***

No procurement implications

What are the **legal** implications?

The draft Section 75 Partnership Agreement is pending a final review by the CCG and the Council's in-house legal services team

What are the **Human Resources** implications?

No Human Resources implications

**Equality and Diversity Impact Assessment** attached or not required because (please give reason)

An Equality and Diversity Impact Assessment is not required as this report does not deal with the allocation of new expenditure. Instead, it includes previously allocated expenditure within the scope of the pooled budget to enhance its visibility for joint working purposes.

What are the **property** implications

There are no property implications arising from this.

**Risks:**

None of the changes materially affect any of the pooled budgets subject to a risk share (other than through expected inflationary increases). As such, the risk profile of the CCG and OMBC is not materially altered.

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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?

Yes

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

**There are no background papers for this report**

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<b>Report Author Sign-off:</b>	
OCCG CFO & OMBC DoF	Kate Rigden & Anne Ryans
<b>Date:</b>	17/05/2022

Please list any appendices:-

<b>Appendix number or letter</b>	<b>Description</b>
1	Section 75 Agreement for 2022/23.

## **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 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 The Oldham system has a strong history of joint working and of organisations providing support where flexibility allows. Some examples of the financial system working include:
  - Oldham CCG providing additional funding to Adult Social Care through the Better Care Fund of over £6m between 2014/15 and 2016/17
  - OMBC providing investment funds of £5.9m in 2019/20
  - Oldham CCG and Pennine Acute Hospitals NHS Trust agreeing financial contracts that moved away from activity tariffs to move to a more constructive relationship focussed on joint working
  - Oldham CCG providing additional funding to support Adult Social Care in 2020/21 and 2021/22

## **Budget position 2022/23**

- 2.1 Contributions for the Council and CCG have been updated based on 2022/23 budgets as reported and agreed by each organisation separately.
- 2.2 The S75 Agreement has for the past few years included Pooled Budgets and Pooled Aligned budgets, defined as follows:
  - Pooled Budget; a pooled fund comprising financial contributions from both of the Partners hosted by one of the Partners with funds in its bank account, with a single Lead Commissioner but for which partners equally share the risk associated with any variance to budget.
  - Pool Aligned Budget; a pooled fund where the Partners' respective financial contributions to such fund are held in their own bank accounts. Host Partners will act as Lead Commissioner for their respective contributions.
- 2.3 The Council's contribution to the S.75 agreement has been enhanced for 2022/23 to broaden the scope of the S.75 agreement to include OMBC budgets for Children's Social Care, Public Health, Preventative Services, Youth and Leisure, Environmental Health and Strategic Housing in line with the principle of including budgets impacting the wider determinants of health.
- 2.4 Council budgets incorporated within the agreement, where relevant exclude income and also internal recharges and capital financing charges e.g. depreciation. The overall Council contribution presented as a Pooled Aligned Budget including the areas highlighted at 2.3 above total £168.888m of revenue

budgets and £2.334m of Disabled Facilities Grant; an overall total of £171.222m (it should be noted that this includes £19.961m funded by CCG contributions).

- 2.5 A new category, 'in view' will be introduced for 2022/23, bringing broader areas of Council expenditure related to the 'wider determinants of health'. Whilst this will not be within the scope of the S75 Agreement, such budgets and expenditure will form part of the periodic joint financial report. This supplementary information will assist with understanding where the deployment of these resources could have a potential impact on health outcomes. The services included are as follows:

<b>In View Services</b>	<b>£k</b>
Environmental Management	4,440
Economic Development	25,913
Education, Skills & Early Years (exc. DSG and PFI Charges)	35,371
Community Safety, Stronger Communities	1,565
<b>Total In View</b>	<b>67,289</b>

- 2.6 In addition, the Council will host the Pooled Budget for Community Equipment of £1.400m of which the Council's contribution is £0.492m.

- 2.7 Further changes to the S75 Agreement are included at Schedule C and Schedule D.

- Schedule C – this no longer presents the way that GM Transformation Funds will be used, it now relates only to Transformation Funds available from Oldham specific resources.
- Schedule D - although the COVID-19 Hospital Discharge Fund ceased on 31 March 2022, Scheme Specification D has been retained within the agreement, to deal with any reinstatement or proposed variant that jointly funds COVID related expenditure

- 2.8 Oldham CCG budgets have been split into three categories:

- (i) Locality decision making – including all budget areas to be delegated to
  - Locality Board
  - Locality Integrated Care Board teams
  - Neighbourhood teams, including PCNs
- (ii) GM-wide decision making – including all budget areas to be directed by
  - Provider Collaboratives
  - GM teams and officers
- (iii) Corporate Budgets – including all staff, CCG/GM Integrated Care corporate costs. These budgets will be split according to the responsible officer for each functional area.

- 2.9 This split of budget responsibilities will support the development of the Functions and the detailed scheme of delegations. To note that whilst there is delegation, all budgets will be subject to oversight by the GM Integrated Care Board and its Executive Officers

- 2.10 Whilst budget holder responsibilities need to be simple and clear cut, these decisions and conversations must be enriched by following the principles of Joint Stewardship.
- 2.11 With the transfer of agreements to GM Integrated Care it is recognised that there will be complexities aligning the budget delegation, and correspondingly the formal governance of decision making, as outlined above with the financial values as included in the legacy S.75 agreements.
- 2.12 Whilst the longer term will see a change to the current S.75 it has been agreed at this System Board in January that in line with the Target Operating Model paper all Oldham locality health spend irrespective of formal delegation will be “brought to the table” in reflection of the principle of Joint Stewardship of Funds. This will be developed alongside the formal S.75 in 2022/23 to develop this in readiness for 2023/24.

#### Variation to Pooled Fund Contributions

- 2.13 As in previous years both parties potentially have the scope to vary their contributions over the course of the financial year.

#### Delegation to Director of Finance (OMBC) and Chief Finance Officer (CCG)

- 2.14 Given that there may be the requirement for further revisions to the S.75 agreement prior to 30 June 2022, when the ICB is scheduled to come into force, delegation is requested to enable the Councils Director of Finance and the Chief Finance Officer of the CCG to amend either the financial contributions or any drafting amendments required following legal review.

### **3 Recommendations:**

The Commissioning Partnership Board is requested to:

- a) Note the strong history of joint working and funding arrangements in Health and Social Care in Oldham
- b) Note the current, draft version of the 2022/23 Oldham Section 75 Partnership Agreement as attached at Appendix 1
- c) Delegate approval jointly to OMBC Director of Finance and the CCG Chief Finance Officer to finalise the S.75 Agreement including the financial expenditure and contribution figures included at Schedule 8 of Appendix 1 if required following legal review
- d) Approve the intention to adopt a flexible approach to contributions to support delivery of the best services for Oldham residents.
- e) Authorise the Director of Legal Services to sign the final Section 75 Agreement on behalf of OMBC and Authorised signatory on behalf of the CCG following final legal review: and

f) Note the joint governance which will be in place for 2022/23 as a result of the transfer of the s.75 agreement to GM Integrated Care following the passing of the White paper on Health and social care reform.