

To:	Health & Care Integrated Commissioning Board (HCICB)
From:	Stockport Council Financial Services, Stockport CCG Finance
Subject:	2020/21 Pooled Budget: Budget Monitoring – Q4 (Outturn)
Date:	1 st November 2021

1. Introduction

This report focuses on the financial performance at Quarter 4 (Outturn) for the 2020/21 Section 75 pooled budget between Stockport Council and Stockport CCG, which supports the ongoing s.75 agreement between the two organisations.

2. Budget Position at Quarter Four (Outturn)

Table 1 below provides a summary by commissioning organisation of the total budget resources available at Quarter 4 2020/21. It also illustrates any changes from the Q3 position.

Table 1 – Draft Budget Position at Quarter 4

Commissioner	Quarter 3 2020/21 Budget £000	Movement(s) £000	Proposed Quarter 4 2020/21 Budget £000
Stockport Council	95,491	0	95,491
Stockport Council contribution variation	(3,808)	0	(3,808)
Stockport CCG	134,005	2,757	136,762
Stockport CCG contribution variation	3,808	0	3,808
Stockport CCG Hospital Discharge Programme	16,919	(547)	16,372
Total	246,415	2,210	248,625

19/20 – 20/21 Funding on Non-Acute Services for Older People

Table 2 reflects contribution adjustments related to the two-year (19/20 and 20/21) funding agreement between Stockport Council and Stockport CCG for Non-Acute Services for Older People. The funding agreement aligns to investment proposals within the Section 75 agreement and is underpinned by the agreed cash flow adjustment as detailed below.

Table 2: Non-Acute Services for Older People Funding

Financial Year	Stockport Council Contribution £000	Stockport CCG Contribution £000
2019/20	3,808	(3,808)
2020/21	(3,808)	3,808

Stockport Council:

There were no further budget adjustments in Q4.

Stockport CCG:

Table 3 below shows the additional contributions Stockport CCG made to the pooled budget in Q4.

Table 3: Stockport CCG Budget Movements

Budget Movements Stockport CCG Q4	£000
Mental Health – block contract adjustment related to non-GM providers	270
Acute – to support the recovery of services (including cancer)	2,487
Hospital Discharge Programme	(547)
Total	2,210

The above additional contributions reflect funding received by the CCG in Q4 in response to Covid-19.

3. Quarter 4 (Outturn) position by service 2020/21

Table four below provides a summary by Commissioner of the outturn position. In summary, this illustrates a £5.343m deficit. (-2% variance).

Table 4: Quarter 4 Position by Service 2020/21

Commissioner	Service / Portfolio	Quarter 4 2020/21 Budget	Outturn Q4	Variance Q4	Forecast Variance Q3
		£000	£000	£000	£000
Stockport Council	Adult Social Care	84,507	89,503	4,996	5,087
Stockport Council	Health	10,984	10,984	0	0
Stockport Council	Non acute services for older people contribution variation	(3,808)	(3,808)	0	0
Stockport CCG	Acute - NHS Providers	78,569	78,628	59	(128)
Stockport CCG	Acute – Independent Sector	4,433	4,433	0	122

Stockport CCG	Non Acute and Other Health	53,760	54,047	287	113
Stockport CCG	Non acute services for older people contribution variation	3,808	3,808	0	0
Stockport CCG	Hospital Discharge Programme	16,372	16,372	0	0
Total		248,625	253,967	5,342	5,194

4. **Budget Position at Quarter 4 (Outturn) by POD 2020/21**

Table 5 below illustrates the pooled budget resource based on Points of Delivery (PODs) at Quarter 4. It also illustrates any changes from the Q3 position.

Table 5: Resource changes by Point of Delivery

Points of Delivery	Commissioner	Quarter 3 2020/21 Budget £000	Movement(s) £000	Quarter 4 2020/21 Budget £000
Prevention	SMBC	16,965	0	16,965
	SCCG	370	0	370
Boroughwide Services	SMBC	7,506	0	7,506
	SCCG	3,849	(0)	3,849
Community/Out of Hospital	SMBC	86,815	0	86,815
	SCCG	48,398	1,143	49,541
Acute	SMBC	0	0	0
	SCCG	81,388	1,614	83,002
Better Care Fund	SMBC	(15,795)	0	(15,795)
Contribution Variation	SMBC	(3,808)	0	(3,808)
	SCCG	3,808	0	3,808
Hospital Discharge Programme		16,919	(547)	16,372
Total		246,415	2,210	248,625

See Section 2 for any net movement to budgets.

5. **Quarter 4 (Outturn) by POD 2020/21**

The Quarter 4 (Outturn) position by POD is reflected in Table 6 below. Further analysis is illustrated in Appendix 1 of this report.

Table 6: Quarter 4 (Outturn) by Point of Delivery

Points of Delivery	Commissioner	Quarter 4 2020/21 Budget	Outturn Q4	Variance Q4	Forecast Variance Q3
		£000	£000	£000	£000
Prevention	SMBC	16,965	16,695	(270)	(19)
	SCCG	370	370	0	0
Boroughwide Services	SMBC	7,506	8,293	787	255
	SCCG	3,849	3,848	(1)	(1)
Community / Out of Hospital	SMBC	86,815	91,294	4,479	4,851
	SCCG	49,541	49,829	288	115
Acute	SMBC	0	0	0	0
	SCCG	83,002	83,061	59	(7)
Better Care Fund	SMBC	(15,795)	(15,795)	0	0
Contribution Variation	SMBC	(3,808)	(3,808)	0	0
	SCCG	3,808	3,808	0	0
Hospital Discharge Programme	SCCG	16,372	16,372	0	0
Total		248,625	253,967	5,342	5,194

At outturn the contribution to the Council from the Hospital Discharge Programme Funding was £3.297m, with a further contribution of £0.207m for PPE covering April 20 – September 20. This is reflected within the net outturn within Community / Out of Hospital services in Table 6 above.

Prevention (SMBC) surplus: £0.270m

The underspend at outturn was due to a combination of in year vacancies and reduced non pay expenditure within Safeguarding services.

Variance from Q3

The underspend increased by £0.251m from Q3, which was predominantly due to reduced in year staff commitments than previously anticipated.

Boroughwide (SMBC) deficit: £0.787m

The overspend was due to additional demand pressures on the equipment service, in part due to the impact of Covid-19 aligned to provision to support hospital discharge. Further to this were additional commitments aligned to the commissioning of temporary Discharge to Assess beds (D2A), which where appropriate were recharged through the Hospital Discharge Programme (HDP). The income for HDP is reflected within Community / Out of Hospital Services.

Variance from Q3

The overspend increased by £0.532m, due to additional commitments in Q4, predominantly aligned to the temporary D2A commissioning of beds.

Community / Out of Hospital (SMBC) deficit £4.479m

The overspend at outturn was due to the net financial impact of providing financial support to the local external care market aligned to additional costs and lost income due to Covid-19. The range of additional financial support Adult Social Care provided in 20/21 aligned to Covid-19 included:

- Occupancy protection for care home providers who accepted the Council offer. This commitment was recharged to Stockport CCG aligned to the Hospital Discharge programme (HDP).
- Additional Covid-19 care management packages of care which were partially reclaimed from Stockport CCG via the HDP.
- Additional costs to support care home providers with, for example, additional staffing costs, protecting staff pay, PPE, equipment.
- Paying homecare providers up to planned levels of care during Q1 – Q2 of 20/21.
- Additional homecare costs to, for example, support clients who are unable to access other services, additional PPE commitments.
- Delayed implementation of inflationary uplifts to residential and nursing care client contributions.
- Reduced non-residential care income as clients were not in receipt of services. Also paused uplifting of non-residential care fees and charges for all of 20/21.

These additional commitments were partly offset by underspends within residential and nursing care from a reduced baseline level of activity and temporary funding of hospital discharge placements via the Hospital Discharge Programme. There were also underspends within non-residential care services as clients were unable to attend or receive some provision due to Covid-19.

The outturn position excluded grant funding provided to the Council from Central Government aligned to general Covid-19 financial pressures, as these grant allocations were being held corporately.

In addition to the above the Council also received and committed aligned to the various grant conditions:

- £3.110m - Infection Control Funding - Round 1
- £2.886m - Infection Control Funding - Round 2
- £0.771m - Rapid Testing Grant
- £0.642m - Workforce Capacity Grant

Payment of the grants included a combination of passporting funding to the local adult social care sector, reclaims for additional Covid-19 commitments from local providers and internal service contributions to appropriate ASC services.

Infection Control Grants and the Workforce Capacity Grant were spent in full at outturn, with a minor balance of £0.026m to be returned to the DHSC aligned to Rapid Testing.

This was due to a small number of care home providers reporting within the final submission six monitoring, that they had not spent all of their Rapid Testing grant allocation.

Variance from Q3

The overspend at outturn reduced by £0.372m compared to the Q3 position. This was due to reduced cash limit commitments in Q4, aligned to further national grant funding received.

Stockport CCG

The financial reporting regime for CCGs for 2020/21 consisted of 2 distinct elements. Firstly, for months 1 to 6 (April – September), CCGs were funded retrospectively for all additional reasonable costs incurred in responding to the coronavirus pandemic. For months 7 to 12 (October to March), CCG's were issued with fixed funding envelopes. Funded separately outside of the fixed funding envelope was HDP expenditure which was funded on a retrospective basis.

As part of the budgeting process for 2020/21, NHS England had mandated block contract arrangements between CCGs and NHS Trusts. Block contract (fixed) financial values are reflected in the budgets and financial position presented. Blocks were amended in Q3 for mental health providers external to the GM footprint, to ensure a consistent level of expenditure with prior years (to provide consistency in relation to the mental health investment standard MHIS). Block payments were also amended to reflect targeted investments specified nationally, aligned to additional funding. As a result of the financial regime implemented in response to the coronavirus pandemic there are no material variances reported by the CCG.

6. Reserves

At outturn Stockport Council, where it is the lead commissioner, completed the following transfers from reserves totalling **£0.224m**.

- £0.200m - Further support to ASC Operating model and other services support
- £0.019m - Hate Crime Funding
- £0.005m - Social Care Digital Innovation Programme (SCDIP)

The Council also completed the following transfer of balances to reserves totalling **£7.223m**.

- £2.529m - Contribution to joint funded placements and care academy development
- £2.537m - Service balances due to Covid-19
- £0.018m - Hate Crime Funding
- £0.474m - Public Health balances
- £0.004m - Public Health: Controlling Migration Fund 2
- £1.661m - Managing Outbreaks investment proposals

7. Savings

Below is a summary of savings / efficiencies at outturn affecting the pooled budget in 2020/21 and their status:

Proposal	Risk Rating	Value £000	Value Achieved £000	Additional Information
2019/20 savings programme				
Non-Residential income – fees and charges	Red	367	0	Final tranche of phased savings programme. Policy implementation paused due to Covid-19 for 20/21.
2020/21 Savings Programme				
Preventative Commissioning and Public Health Offer	Green	100	100	Saving achieved in full.
Balancing the Cost of Services Phase 2	Amber	300	100	BTCOS – assumed inflationary uplifts will be in place from December, delay due to Covid-19. Full year effect from 21/22
Managing future demand	Green	500	500	Split £0.5m ASC, £0.5m CYP. Achieved in full for ASC.
Liquid Logic contribution to DbD saving	Red	77	19	Assumed no saving till October in part due to Covid-19, reporting requirements, then 50% achievement from October
Adult Social Care - subtotal		1,344	719	
Public Health Offer within ASC 2020/21 savings	Green	150	150	Savings achieved at budget setting and transferred to ASC in Q1
Public Health - subtotal		150	150	
Total		1,494	869	£0.625m- balance

Risk rating

- **Green** – good confidence (90% plus) the saving is/will be delivered or minor variances (<£0.050m) that will be contained within the portfolio.
- **Amber** – progressing at a reasonable pace, action plan being pursued may be some slippage across years and/or the final position may also be a little unclear.
- **Red** – Significant issues arising or further detailed consultation required which may be complex/contentious

8. Recommendations

The Board are asked to:

1. Approve the Q4 (Outturn) budget movements
2. Note the outturn position of a £5.342m deficit.

Appendix 1:

HCICB Pooled Budget Report Q4 2020/21

	Budget Q4	Actual Q4	Variance Q4
	£'000	£'000	£'000
PODs			
<u>Prevention</u>			
Dementia / Memory Services	53	53	0
Flu Services	94	94	0
Dementia Services	0	0	0
People Powered Health	223	223	0
Public Health	10,984	10,984	0
Health and Wellbeing	0	0	0
ASC Preventative Services	5,981	5,711	(270)
Total	17,335	17,065	(270)
<u>Intermediate Tier & Boroughwide Services</u>	11,355	12,141	786
<u>Community / Out of Hospital</u>			
<u>Integrated Neighbourhood Service</u>			
Residential and Nursing Care	21,319	24,676	3,357
Non Residential Services	17,463	17,116	(347)
District Nursing, Palliative Care and Teir Two Services	12,938	12,941	3
Care Homes Development and Care Home Planning	2,270	2,315	44
FNC, Neighbourhood Services, ESS, Reablement, Rapid Resp	9,045	9,153	109
Continuing Care / Domiciliary	10,544	10,715	172
IV Therapy and Pathfinder	0	0	0
Hospices	1,454	1,454	(0)
Carers / Alzheimer's	834	833	(1)
Programme Management Services	174	164	(11)
Learning Disabilities			
Residential and Nursing Care	7,526	6,486	(1,040)
Non Residential Services	21,086	22,123	1,037
Internal Tenancy provision	6,629	6,926	297
Mental Health			
Residential and Nursing Care	2,919	2,528	(391)
Non Residential Services	1,238	1,544	306
Crisis Resolution	0	0	0
Hospital Discharge Programme	16,372	16,372	0
Operational staffing support	8,829	9,590	761
Other services including ASC Support Services	12,088	12,559	471
Total	152,728	157,495	4,767
<u>Acute Services</u>	83,002	83,061	59
<u>Better Care Fund contribution excluding iBCF</u>	(15,795)	(15,795)	0
Total	248,625	253,967	5,342