

To:	Health & Care Integrated Commissioning Board (HCICB)
From:	Stockport Council Financial Services, Stockport CCG Finance
Subject:	2021/22 Pooled Budget: Budget Setting & Q2 Forecast
Date:	6 th December 2021

1. **Introduction**

This report focuses on the budget setting process for the 2021/22 pooled budget for Stockport Council and Stockport CCG (CCG), which supports the ongoing s.75 agreement between the two organisations.

Under the arrangement the CCG pools resources for the provision of health services (excluding surgery, radiotherapy, termination of pregnancies, endoscopy, other invasive treatments and emergency ambulance services) provided to people who are registered with a Stockport GP Practice over the age of 65, and the Council pools resources for the provision of Adult Social Care services and Public Health services. The s.75 agreement includes expenditure funded by the Better Care Fund (BCF) the Improved Better Care Fund (iBCF) and the Winter Resilience Grant.

In response to the Covid19 pandemic the government made funding available under the Hospital Discharge Programme (HDP). A deed of variation was approved in 2020/21 which incorporates this within the pooled budget and this report details the HDP resources utilised by Stockport Council and the CCG.

This report also includes an outturn forecast based on the current Quarter 2 position.

2. **Hospital Discharge Programme (HDP)**

As part of the NHS and wider public sector's response to the global coronavirus pandemic the Government implemented the Covid-19 Hospital Discharge Programme which took effect from 19th March 2020. Under the programme the government, via the NHS, pays for new packages of care, or enhancements to existing packages of care, for patients discharged from hospital or who would otherwise have been admitted to hospital. This approach is funded through a centrally held COVID-19 budget which supplements the CCG's and local authority's usual expenditure on discharge and rehabilitation, and reablement services.

During 2021/22 packages of care for individuals being discharged from hospital are funded for up to a maximum of 6 weeks from 1st April 2021 to 30th June 2021 whilst an assessment of the individual's longer-term care needs, including Care Act and NHS CHC assessments, are undertaken. From the 1st July 2021 packages are funded for up to a maximum of 4 weeks. The HDP and central funding will cease on 31st March 2022.

3. **Budget Position**

The recurrent budget starting position by each commissioner is outlined in the table below.

Table One – Budget Starting Position by Commissioner

Commissioner	2020/21 Outturn Budget £000	Movement (Budget Setting – Table 2) £000	2021/22 s.75 Indicative budget contributions £000	Movement (Q1– Q2 Table 3) £000	Quarter 2 2021/22 Budget £000
Stockport Council	95,491	2,373	97,864	393	98,257
Stockport CCG	136,762	6,630	143,392	0	143,392
Stockport CCG Hospital Discharge Programme	16,372	(7,101)	9,271	0	9,271
Total	248,625	1,902	250,527	393	250,920

4. **Budget Setting Adjustments**

A number of adjustments have been included within the budget setting process for 2021/22; these are outlined by each commissioner in Table 2 below;

Table Two – Budget setting pooled budget adjustments

Stockport Council:

Adult Care & Health Budget	£000
Closing 20/21 Budget	95,491
Indicative Adjustments:	
Demographic Pressures	1,000
Strategic Commissioning Support Funds - 3 - 2020/21 Phasing Using Social Care Grant	(100)
2020/21 Phasing of Preventative Commissioning Saving Proposal - Use of Social Care Grant	(40)
Protection of Liberty Safeguards	50
Better Care Fund Uplift - favourable adjustment to support 2021/22 Budget	(750)
Digital By Design Contribution (Liquidlogic / ContrOcc)	(50)
Funding which cannot be statutorily pooled	(10)

Total Indicative Adjustments	100
Savings:	
Adult Social Care	(504)
Total Savings	(504)
Contingency Allocations:	
Care Management Fee increases - Inflation	1,646
Care Management Fee increases - National Living Wage	1,131
Total Contingency Allocations	2,777
2021/22 Opening Pooled Budget ASC and Public Health	97,864

Stockport CCG:

Stockport CCG Budgets	£000s
Closing 20/21 Budget	136,762
Adjustments:	
Fund 20/21 outturn	346
BCF Inflation 5.3%	1,172
Pooled budget increase above 20/21 outturn*	5,112
Total Adjustments	6,630
21/22 Pooled budget contribution	143,392

*includes price inflation and demand growth

Hospital Discharge Programme (HDP)	£000s
Closing 20/21 Budget	16,372
Adjustments:	
Impact of reduction maximum period packages of care can be funded	(7,101)
21/22 HDP Budget	9,271

5. Budget changes 2021/22 Q1 – Q2

During Quarter 1 – Quarter 2 there were further investments, which are included in Table 3 below. This includes an increase in the Localities Better Care Fund allocation of £1.171m, as part of the 2021/22 BCF Planning Requirements.

Table Three – Quarter 1-2 2021/22 pooled budget adjustments

Stockport Council:

Description	2021/22 £000
Social Care Grant Adjustment with Support Funds	100
Fee Uplifts above budget setting	200
Additional Public Health allocation	108
Additional Funding for HIV prevention	75
Transfer of funding from ASC to Support Funds aligned to agreed Support Funds staffing model	(50)
Transfer of funding and costs for complaints post from Quality Assurance Team into CSS	(40)
Additional Better Care Fund commitments	1,171*
Additional Better Care Fund allocation	(1,171)
Total	393

* Includes £0.338m additional contribution to the CCG to fulfil its lead commissioner obligations.

6. Quarter 2 forecast outturn by service 2021/22

The table below provides a summary by Commissioner of the outturn position. In summary, this illustrates a £0.077m forecast benefit (-0.06% variance).

Table Four: Quarter 2 outturn forecast by Service 2021/22

Commissioner	Service / Portfolio	Quarter 2 2021/22 Budget £000	Quarter 2 2021/22 Forecast £000	Quarter 2 2021/22 Variance £000
Stockport Council	Adult Social Care	87,089	87,089	0
Stockport Council	Health	11,168	11,168	0
Stockport CCG	Acute - NHS Providers	81,235	81,235	0

Stockport CCG	Acute – Independent sector	6,482	6,482	0
Stockport CCG	Non-Acute and Other Health	55,675	55,598	(77)
Stockport CCG	Hospital Discharge Programme	9,271	9,271	0
Total		250,920	250,843	(77)

The provisional Quarter 2 position by POD is reflected in table five below. This includes a revised Point of Delivery for the Council aligned to the Adults Operating Model. Further analysis is illustrated in Appendix 1 of this report.

Table Five: Quarter 2 forecast by Point of Delivery

Points of Delivery	Commissioner	Quarter 2 2021/22 Budget £000	Forecast Q2 £000	Variance £000
Prevention	SMBC	16,395	16,242	(153)
	SCCG	358	358	0
Intermediate Tier & Boroughwide Services	SMBC	8,345	8,201	(144)
	SCCG	3,888	3,888	0
Community / Out of Hospital	SMBC	90,146	90,443	297
	SCCG	51,429	51,352	(77)
Acute services	SMBC	0	0	0
	SCCG	87,717	87,717	0
Better Care Fund	SMBC	(16,629)	(16,629)	0
Hospital Discharge Programme	SCCG	9,271	9,271	0
Total		250,920	250,843	(77)

Material forecasted variations to the budget at Q2 are described below.

At Q2 the contribution to the Council from the Hospital Discharge Programme is £1.122m. This is reflected within the net outturn forecasts in Table Four and Table Five.

Stockport Council

Prevention - underspend: £0.153m

The underspend forecast is predominantly within the Practice Quality and Safeguarding Service. This is due to in year vacancies, aligned to the interim

structure and on best interest assessments and follow up medial reports, based on current levels of demand.

Intermediate Tier & Boroughwide – underspend: £0.144m

The underspend relates to minor in-year staffing variances and the difference between the increased forecasted expenditure within the equipment service, aligned to the additional investment made into the service as part of budget setting.

Community / Out of Hospital – overspend: £0.297m

The underlying position at Q2 is an overspend of £1.6m across ASC, predominantly in Community / Out of Hospital services.

This is due to £1m from a combination of additional costs or reduced income due to Covid-19, net of the Covid-19 Hospital Discharge Programme (HDP) reclaim contribution from Stockport CCG. With the balance of £0.6m due to an increase in clients in receipt of predominantly Younger Adult but also Older People Services.

The overspend reported at Q2 is predominantly being funded in year by a combination of:

- Indicative 2021/22 BCF inflationary uplift to ASC, offsetting in year Covid-19 commitments.
- Continued notional allocation from corporate contingencies for ASC, aligned to demographic / demand pressures.
- An announcement of further Infection Control Funding (ICF) covering October 21 – March 22, aligned to Internal LD Tenancies Covid-19 commitments.

Stockport CCG – underspend £0.077m

Underspend is due to reductions in the numbers of FNC placement offset by additional expenditure on equipment and the costs of personal health budgets.

7. Reserves

The Q2 position where the Council (SMBC) is the lead commissioner is anticipating the following net transfers from reserves totalling **£7.810m**.

- £2.156m - Improved Better Care Fund commitments
- £1.077m - SNC Reserve – ASC staffing

- £2.529m - Contribution to joint funded placements and Care Academy Development
- £0.263m - Systems and project management support
- £0.100m - Positive Investment – Mental Health
- £0.023m - NESTA Co-production
- £0.018m - Hate Crime funding
- £0.019m - Social Care Digital Innovation Programme
- £0.082m - Controlling Migration Funding
- £0.031m - Extension of Carers pilot
- £0.100m - Positive Investment – Mental Health – Public Health
- £1.661m - Contain Outbreak Management investment plans
- (£0.249m) - Public Health transfer to reserves, based on the outturn forecast.

8. Savings

Below is a summary of savings / efficiencies affecting the pooled budget in 2021/22 and their status:

Proposal	Risk Rating	Value (£000)	Vale Achieved (£000)	Additional Information
2021/22 savings programme				
Management of inflationary increases aligned to external contracts		352	352	Saving achieved and contract values maintained at current levels.
Continued minor contract reductions delivered in 2020/21, including IT software now managed through the new ASC case management system		117	117	Saving achieved as contract reductions have been implemented.
Review of ASC non pay budgets aligned to computer hardware and other IT equipment.		35	35	Saving achieved following review of non-pay budgets.
Total		504	504	

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

9. Recommendations

The Board is asked to:

1. Approve the 2021/22 Budgets to be included within the scope of the s75 Agreement.
2. Note the forecast outturn position at Q2 of a £0.077m surplus.

Appendix 1:

	Budget Q2	Actual Q2	Variance Q2
	£000	£000	£000
PODs			
Prevention			
Dementia / Memory Services	54	54	0
Flu Services	94	94	0
Dementia Services	0	0	0
People Powered Health	210	210	0
Public Health	11,168	11,168	0
Health and Wellbeing	0	0	0
ASC Preventative Services	5,227	5,074	(153)
Total	16,753	16,600	(153)
Intermediate Tier & Boroughwide Services	12,233	12,089	(144)
<u>Community / Out of Hospital</u>			
Integrated Neighbourhood Service			
Residential and Nursing Care	22,184	22,974	790
Non Residential Services	18,347	17,878	(469)
District Nursing, Palliative Care and Teir Two Services	13,146	13,146	0
Care Homes Development and Care Home Planning	2,625	2,638	13
FNC, Neighbourhood Services, ESS, Reablement, Rapid Response	9,178	8,994	(184)
Continuing Care / Domiciliary	11,116	11,252	136
IV Therapy and Pathfinder	0	0	0
Hospices	1,412	1,407	(5)
Carers / Alzheimer's	821	821	0
Programme Management Services	70	70	0
Learning Disabilities			
Residential and Nursing Care	8,012	8,089	77
Non Residential Services	22,269	22,176	(93)
Internal Tenancy provision	6,706	6,699	(7)
Mental Health			
Residential and Nursing Care	1,941	2,936	995
Non Residential Services	2,201	1,507	(694)
Crisis Resolution	0	0	0
Operational staffing support	8,703	8,622	(81)
Other services including ASC Support Services	12,844	12,586	(258)
Total	141,575	141,795	220
Hospital Discharge Programme	9,271	9,271	0
Acute Services	87,717	87,717	0
Better Care Fund contribution excluding iBCF	(16,629)	(16,629)	0
Total	250,920	250,843	(77)