

To:	Health & Care Integrated Commissioning Board (HCICB)
From:	Stockport Council Financial Services, Stockport CCG Finance
Subject:	2021/22 Pooled Budget: Q3 Forecast
Date:	10 th February 2022

1. Introduction

This report focuses on the Quarter 3 update for the 2021/22 pooled budget for Stockport CCG (CCG) and a Quarter 2+ position (Period 7-8) for Stockport Council, which supports the ongoing s.75 agreement between the two organisations.

Due to the Councils reporting cycles a published budget update has been provided up to Q2+. A Q3 update will be published as part of the next Adult Social Care and Health Portfolio Performance and Resources Report (PPRR), which is being taken to Adults and Health Scrutiny Committee on the 3rd March 2022.

2. Budget Position

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

Table One – Budget changes from Q2 to Q3 by Commissioner

Commissioner	Quarter 2 2021/22 Budget £000	Movement (Q3 – Table 2) £000	Quarter 3 2021/22 Budget £000
Stockport Council	98,257	(146)	98,111
Stockport CCG	143,392	324	143,716
Stockport CCG Hospital Discharge Programme	9,271	(188)	9,083
Total	250,920	(10)	250,910

3. **Budget Q3 Adjustments**

Budget adjustments between Q2 and Q3 are illustrated in Table Two below.

Table Two – Pooled budget adjustments

Stockport Council:

Adult Care & Health Budget	£000
Budget Q2 - Total	98,257
Transfer of funding from ASC to Legal at midpoint of 1.5 FTE of Legal Services support into ASC	(87)
Transfer of funding and costs for Direct Payment Audit Team into CSS.	(59)
Budget Q2+ / Q3 - Total	98,111

Stockport CCG:

Stockport CCG Budgets	£000	Description
Budget Total Q2	152,663	
Acute and Community	324	Increase in activity to reduce waiting lists
Hospital Discharge Programme	(188)	
Budget Total Q3	152,799	

4. **Quarter 3 forecast outturn by service 2021/22**

The table below provides a summary by Commissioner of the outturn position. In summary, this illustrates a £0.375m forecast deficit (0.15% adverse variance).

Table Four: Quarter 3 outturn forecast by Service 2021/22

Commissioner	Service / Portfolio	Quarter 3 2021/22 Budget £000	Quarter 3 2021/22 Forecast £000	Quarter 3 2021/22 Variance £000
Stockport Council	Adult Social Care	86,943	86,943	0
Stockport Council	Health	11,168	11,168	0

Stockport CCG	Acute - NHS Providers	81,212	81,212	0
Stockport CCG	Acute – Independent sector	6,828	6,828	0
Stockport CCG	Non-Acute and Other Health	55,675	56,050	375
Stockport CCG	Hospital Discharge Programme	9,084	9,084	0
Total		250,910	251,285	375

The provisional Quarter 3 position by POD is reflected in table five below. Further analysis is illustrated in Appendix 1 of this report.

Table Five: Quarter 3 forecast by Point of Delivery

Points of Delivery	Commissioner	Quarter 3 2021/22 Budget £000	Forecast Q3 £000	Variance £000
Prevention	SMBC	16,308	16,145	(163)
	SCCG	358	358	0
Intermediate Tier & Boroughwide Services	SMBC	8,345	8,093	(252)
	SCCG	3,888	3,888	0
Community / Out of Hospital	SMBC	90,087	90,502	415
	SCCG	51,429	51,804	375
Acute services	SMBC	0	0	0
	SCCG	88,040	88,040	0
Better Care Fund	SMBC	(16,629)	(16,629)	0
Hospital Discharge Programme	SCCG	9,084	9,084	0
Total		250,910	251,285	375

At Q3 the contribution to date to the Council from the Hospital Discharge Programme is £2.077m. This is reflected within the net outturn forecasts in Table Four and Table Five.

Material forecasted variations to the budget at Q3 are described below.

Stockport Council

Prevention - underspend: £0.163m

As reported in Q2, the forecast underspend is predominantly within the Practice Quality and Safeguarding Service due to in year vacancies.

Intermediate Tier & Boroughwide – underspend: £0.252m

The underspend relates to minor in-year staffing variances and in-year care management budgets which are offset by additional spot purchase commissioning within the Community / Out of Hospital point of delivery.

Community / Out of Hospital – overspend: £0.415m

The underlying position for Community / Out of Hospital point of delivery is an overspend of £2.015m. This is due to a combination of continued care management pressures and anticipated non recurrent commitments aligned to Covid-19.

Of this overspend £1.6m is being funded in year by:

- £0.8m - indicative 2021/22 BCF inflationary uplift to ASC, offsetting in-year Covid-19 commitments.
- £0.8m – returned direct payment (DP) fund balances from clients back to the Council to reduce clients residual DP balances back down to pre Covid-19 levels.

The residual overspend balance within this POD is being offset by underspends within Prevention and Intermediate Tier services to achieve an overall balanced position for ASC.

Stockport CCG

Community / Out of Hospital – overspend £0.375m

Overspend is mainly due to increased number and cost of Adult CHC placements.

5. Reserves

The Q2 position where the Council (SMBC) is the lead commissioner is anticipating the following net transfers from reserves totalling £7.172m.

- £2.016m - Improved Better Care Fund commitments
- £0.937m - 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
- (£0.607m) - Public Health transfer to reserves, based on the outturn forecast.

6. **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

7. **Recommendations**

The Board is asked to:

1. Approve the Q3 Budgets to be included within the scope of the s75 Agreement.
2. Note the forecast outturn position at Q3 of a £0.375m deficit.

Appendix 1:

	Budget Q3	Actual Q3	Variance Q3
	£'000	£'000	£'000
PODs			
<u>Prevention</u>			
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	5,140	4,977	(163)
Total	16,666	16,503	(163)
<u>Intermediate Tier & Boroughwide Services</u>	12,233	11,981	(252)
<u>Community / Out of Hospital</u>			
<u>Integrated Neighbourhood Service</u>			
Residential and Nursing Care	22,184	24,176	1,992
Non Residential Services	18,347	16,782	(1,565)
District Nursing, Palliative Care and Teir Two Services	13,146	13,237	91
Care Homes Development and Care Home Planning	2,625	2,635	10
FNC, Neighbourhood Services, ESS, Reablement, Rapid Response	9,178	9,003	(175)
Continuing Care / Domiciliary	11,116	11,557	441
IV Therapy and Pathfinder	0	0	0
Hospices	1,412	1,406	(6)
Carers / Alzheimer's	821	823	2
Programme Management Services	70	70	0
<u>Learning Disabilities</u>			
Residential and Nursing Care	8,012	8,193	181
Non Residential Services	22,269	22,392	123
Internal Tenancy provision	6,706	6,487	(219)
<u>Mental Health</u>			
Residential and Nursing Care	1,943	2,784	841
Non Residential Services	2,201	1,582	(619)
Crisis Resolution	0	0	0
<u>Operational staffing support</u>	8,703	8,656	(47)
<u>Other services including ASC Support Services</u>	12,785	12,525	(260)
Total	141,516	142,306	790
Hospital Discharge Programme	9,084	9,084	0
Acute Services	88,040	88,040	0
Better Care Fund contribution excluding iBCF	(16,629)	(16,629)	0
Total	250,910	251,285	375