

Meeting: Strategic Commissioning Board			
Meeting Date	12 April 2021	Action	Receive
Item No	10.1	Confidential / Freedom of Information Status	No
Title	Integrated Commissioning Fund Quarter 4 (provisional figures)		
Presented By	P Crawford, Interim CFO NHS Bury CCG		
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Clinical Lead	n/a		
Council Lead	L Kitto - Interim s151 Officer Bury Council		

Executive Summary
<p>This report provides an update on the ICF budget and provisional forecast outturn for 2020/21 for Quarter 4. It also incorporates a review of ICF achievements.</p> <p>The total ICF budget is £511m. The CCG's total contribution has increased to £361.6m. This includes the CCG's increased allocation to the pooled budget of £15m of which £10.5m relates to a commitment made in 2019/20 and £4.5m to an increased allocation agreed in year. In turn, the Council's contribution has reduced by £15m in recognition of the fact that an additional £10.5m allocation was made in 2019/20 and an additional allocation of £4.5m will be made in 2021/22. These variations do not affect the financial position in net terms.</p> <p>The ICF is currently forecasting an underspend of £1.3m. There is a £0.4m overspend on services held within the Section 75 Pooled Fund, £1.7m underspend on the Aligned Fund and breakeven position on in-view services. The key overspends are driven by COVID related expenditure, loss of income across Council services and delays in the achievement of savings. Underspends stem from unallocated COVID-19 grants.</p>

Summary	20/21 Budget £'000	20/21 Forecast Outturn £'000	20/21 Variance £'000
Section 75 Pooled Budget	0	375	375
Aligned Budget	0	(1,683)	(1,683)
In-View Budget	0	(28)	(28)
ICF Net Expenditure	0	(1,336)	(1,336)
CCG Expenditure	346,631	346,631	0
Council Expenditure	164,891	163,555	(1,336)
Expenditure	511,522	510,186	(1,336)
CCG Contribution	(357,131)	(361,631)	(4,500)
Council Contribution	(154,391)	(149,891)	4,500
Contribution	(511,522)	(511,522)	(1,336)
Net Expenditure	(0)	(1,336)	(1,336)

Recommendations
<p>It is recommended that the SCB:</p> <ul style="list-style-type: none"> • Note that all Quarter 4 figures are provisional as Month 12 has not yet closed. • Note the increase in CCG allocations received since the Quarter 3 report to SCB and accept their allocation to the ICF. • Note the ICF forecast underspend at Quarter 4 of £1.3m (provisional) and the assumptions on which it is based. • Note the need for a longer term solution to be found to support the services funded from Transformation and other short term funding solutions and that a further report will be brought to the SCB meeting in May. • Note the financial risks to Bury.

Links to Strategic Objectives/Corporate Plan	Yes
Does this report seek to address any of the risks included on the Governing Body / Council Assurance Framework? If yes, state which risk below:	Yes
Achievement of in-year financial balance and financial sustainability over medium term.	

Implications						
Are there any quality, safeguarding or patient experience implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Have any departments/organisations who will be affected been consulted?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any conflicts of interest arising from the proposal or decision being requested?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any financial implications?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Are there any legal implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are there any health and safety issues?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
How do proposals align with Health & Wellbeing Strategy?						
How do proposals align with Locality Plan?						

Implications						
How do proposals align with the Commissioning Strategy?						
Are there any Public, Patient and Service User Implications?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
How do the proposals help to reduce health inequalities?						
Is there any scrutiny interest?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
What are the Information Governance/ Access to Information implications?						
Is an Equality, Privacy or Quality Impact Assessment required?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
If yes, has an Equality, Privacy or Quality Impact Assessment been completed?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
If yes, please give details below:						
If no, please detail below the reason for not completing an Equality, Privacy or Quality Impact Assessment:						
Are there any associated risks including Conflicts of Interest?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Are the risks on the CCG /Council/ Strategic Commissioning Board's Risk Register?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Additional details	<i>NB - Please use this space to provide any further information in relation to any of the above implications.</i>					

Governance and Reporting		
Meeting	Date	Outcome
Add details of previous meetings/Committees this report has been discussed.		

Integrated Commissioning Fund View Quarter 4

1. Introduction

- 1.1. This report provides a high level summary of the financial position of the Bury Integrated Commissioning Fund (ICF) at Quarter 4. **All figures are provisional as Month 12 has not yet closed.** Appendix 1 provides a detailed summary of the ICF. Individual financial reports for the Council and CCG are available on request.
- 1.2. The ICF brings together the financial resources of the CCG and Council into a single fund enabling the Strategic Commissioning Board (SCB) to make decisions and recommendations (subject to reserved matters) based on the full picture of CCG and Council finances.
- 1.3. The ICF is comprised of 3 budgets:
 - a section 75 pooled budget - SCB has delegated decision making powers;
 - an aligned budget - SCB can make recommendations. Decision making powers remain with the originating statutory body; and
 - an in-view budget which impact on the CCG and Council - decisions are made by bodies other than the partners.
- 1.4. In light of the changing NHS Financial arrangements, the CCG's financial position is reported in line with the reporting structures mandated for the NHS under the command and control regime, and which applied throughout the year.
- 1.5. The CCG received formal notification of its financial allocation in November 2020. Retrospective allocations were received in the first half of the year, sufficient to ensure a breakeven position. These allocations, totalling £7.1m, compensate for the impact of COVID and variances in business as usual spend. For the second half year the CCG managed within its notified allocation. Additional allocations, totalling £4.7m, were made for expenditure deemed "out of envelope". The Hospital Discharge Programme (HDP) was the main component of this. As allocations were received, they were brought into the ICF pooled, aligned and in-view budgets to match expenditure.
- 1.6. The CCG budget reflects the ambition to achieve community, primary care and the Mental Health Investment Standard (MHIS) in 2020/21. Investments have been agreed with Pennine Care NHSFT and our voluntary sector providers to ensure the CCG achieves the MHIS annual target of £34.1m. Also included are QIPP savings totalling £0.9m (0.5% of H2 allocation).
- 1.7. HDP expenditure of £7.0m was incurred to support rapid discharge from acute providers and additional costs incurred to avoid acute hospital admissions during the COVID pandemic.
- 1.8. For Council led services, the total net ICF expenditure budget remains at £164.9m with grants received in year offset by matching expenditure.
- 1.9. The CCG increased its contribution to the pooled budget by £15m during 2020/21. Of this £10.5m relates to a commitment made last year and £4.5m to an increased allocation agreed in year. In turn, the Council has reduced its contribution by £15m

reflecting the fact that an additional allocation of £10.5m was made in 2019/20 and an additional allocation of £4.5m will be made in 2021/22. Taken together, these variations in contributions do not affect the financial position in net terms.

2. ICF Summary Financial Performance

- 2.1 The ICF arrangements reflect the 2019/20 agreed principles. During Quarter 4 additional allocations of £9m have been received by the CCG. Of these £7.7m has been added to the Pooled Fund; £3.0m is for the Hospital Discharge Programme, £3.2m locality funding, £0.7m charge exempt overseas visitors adjustment, £0.3m pay & pension pressures, and the remainder for a number of smaller schemes. £1.3m has been added to the In-view fund reflecting Bury CCG's role in hosting arrangements.
- 2.2 The total budget reported during this period is £511m across the three commissioning areas, as indicated in the table below:

Summary	20/21 Contribution £'000	20/21 Forecast Expenditure £'000	20/21 Variance £'000
Section 75 Pooled Budget	(333,108)	333,483	375
Aligned Budget	(138,582)	136,899	(1,683)
In-View Budget	(39,832)	39,804	(28)
Integrated Commissioning Fund	(511,522)	510,186	(1,336)

- 2.3 At Quarter 4 the ICF is forecasting an underspend of £1.3m (provisional) against budget overall. This position reflects full year allocations received and anticipated by the CCG and is subject to final confirmation. It should be noted that the CCG still carries an underlying deficit of c£20m.
- 2.4 There is a £0.4m overspend on services held within the Section 75 Pooled Fund, £1.7m underspend on the Aligned Fund and breakeven position on in-view services.

3. Section 75 Pooled Fund

- 3.1 The summary position of pooled services is set out in the following Table.
- 3.2 CCG COVID funding is included within the Pooled Fund. The Council's position reflects additional costs from increased demand for services as well as significant income losses. These have been offset to some extent by government grants provided however some of the impacts will continue to impact in 2021/22 and future years.
- 3.3 Throughout the year, the Council and CCG have worked together to tackle the COVID pandemic and to deploy resources to ensure the best possible response. The aim has been to optimise NHS funding for the locality, including Council access to more than £4.7m of NHS funding streams for the year related to the HDP.

Service area	20/21 Budget £'000	20/21 Forecast Outturn £'000	20/21 Variance £'000
Acute Health Services	84,252	84,699	447
Community Health & Care Services	86,698	86,912	213
Mental Health & Learning Disabilities Services	37,867	36,484	(1,384)
Primary Care Services	43,026	43,057	31
Adult Social Care	16,782	16,318	(464)
Childrens Services and Social Care	12,549	13,128	580
Public Health	10,435	10,226	(209)
Other CCG & Council Services	41,499	42,660	1,161
Total Pool Expenditure	333,108	333,483	375
Contributions	(333,108)	(333,108)	0
Section 75 Pooled Budget	(0)	375	375

COVID Expenditure

3.4 COVID-19 CCG related costs for the year are:

CCG COVID Expenditure Analysis forecast outturn	Expenditure £'000
Hospital Discharge Programme	7,053
HDP Scheme 2+6 weeks care home costs	349
Support for stay at home models	1,760
Remote management of patients	1,096
Existing workforce additional shifts to meet increased demand	271
Other COVID-19 Virus/Antibody (Serology) Testing - Not Reimbursed	187
PPE & locally procured	181
Remote working for non-patient activities	167
Other Covid-19	947
Total CCG Net Expenditure	12,011

3.5 In response to the COVID-19 crisis £110.3m (provisional) of grants have been made available to Bury Council to date, a full analysis of which can be found within the Council's Quarter 4 financial report once available. Many of the grants provided have been awarded to reimburse the Council for additional spending commitments made by the government including business rates reliefs, grants and support to businesses, support to care providers and also welfare assistance to vulnerable groups within the borough.

Hospital Discharge Programme (HDP)

3.6 The HDP provided a source of funding totalling £7.0m to systems through the emergency COVID-19 period to ensure that discharges from hospitals were enacted swiftly and hospital admissions were avoided wherever possible to ensure that acute hospital capacity was available to deal with any increases in demand.

- 3.7 Bury Council and CCG worked collaboratively to ensure this funding was utilised effectively and that the acute sector was supported to deliver the expected capacity.
- 3.8 Beds within the Care Sector were immediately commissioned in March 2020 under the HDP guidance. Patients requiring an increase in their Healthcare packages, home care and reablement were also supported by this funding from March – August 2020.
- 3.9 From the 1st September, new HDP guidance was implemented and a discharge to assess model was put into place, for which a maximum of 6 weeks funding can be reclaimed by the CCG for patients discharged from hospital.

4 Aligned Fund

- 4.1 A summary position of aligned services is set out in the Table below. The net forecast underspend of £1.7m is as a result of unallocated grants received in year.

Service area	20/21 Budget £'000	20/21 Forecast Outturn £'000	20/21 Variance £'000
Acute Health Services	76,738	77,147	409
Childrens Services and Social Care	29,230	29,640	411
Operations	15,085	21,049	5,964
Other CCG & Council Services	17,529	9,063	(8,466)
Total Aligned Expenditure	138,582	136,899	(1,683)
Contributions	(138,582)	(138,582)	0
Aligned Budget	0	(1,683)	(1,683)

- 4.2 The key overspends in operations of £6.0m are due to reduced ability for the Council to generate income from commercial services including civic venues and catering services, parking services and from the markets. This is offset by underspends in other services as a result of unallocated grants.

5 In-View Services

- 5.1 The Table below provides a summary position for In-view services. These are broadly in line with budget.

Service area	20/21 Budget £'000	20/21 Forecast Outturn £'000	20/21 Variance £'000
Delegated Co-Commissioning Budgets	28,875	28,828	(47)
Other CCG & Council Services	10,958	10,976	19
Total In-View Expenditure	39,832	39,804	(28)
Contributions	(39,832)	(39,832)	0
In-View Budget	0	(28)	(28)

6 Financial Risks

- 6.1 In the current uncertain environment of COVID there are a number of financial risks the SCB should be aware of.
- 6.2 Sufficient allocations were received to cover the continuation of COVID related schemes and additional demands, eliminating the funding risk previously reported.
- 6.3 As part of the NHS financial reset all funding allocations have been reviewed and transformation funding has ceased. Due to delays in the achievement of deflection savings, there is a risk of services needing to be funded recurrently without realizable savings to cover the costs. LCO colleagues are working on revised programme phasing into 2021/22. Strong evaluation processes will be essential in determining if/how to continue transformation programmes.
- 6.4 In the command and control response to COVID, the decision on the introduction of a number of services which benefit the Bury population have been taken at a Greater Manchester, regional or national system level. These costs have been reimbursed to providers or leading organisations under the current regime. There is a risk that Bury will be required to pick up any on-going costs without receiving additional funding. The risk in the longer term will require the input of clinical, service and finance colleagues to ensure only those services of benefit and value for money continue and any costs are mitigated by reductions elsewhere in service spend. Work is being done by the Financial Advisory Committee of GMHSCP to understand the system-wide run-rates and investment commitments, alongside predicted funding levels.
- 6.5 Under the terms agreed for the ICF, financial risk is managed in the following ways:
- 1) Where underspends occur, to ensure overall financial balance underspends from one fund can be used to offset financial risk in another.
 - 2) The section 75 pooled budget agreement allows additional contributions to the pool to be made by a party, matched by equivalent additional contributions by the other party in a subsequent year.
 - 3) A 50:50 risk share agreement between the partners each contributing 50% of a budget overspend.

7 ICF: Achievements

- 7.1 On 4 September 2019, the Cabinet approved the proposed expansion of the health and social care commissioning pooled budget and the creation of a wider integrated commissioning fund (ICF). The S75 agreement and financial framework were approved on 10 March 2020 by the Council's Cabinet.
- 7.2 The objectives of the ICF are to deliver Integrated Commissioning that will focus on:
- developing joined up, population based, public health, and **preventative and early intervention strategies**;
 - adopt an **asset based approach** to providing a single system of health and wellbeing, focusing on increasing the capacity and assets of people and place
 - enable the improvement of the **quality and efficiency of the services** within the arrangement;

- improve the **outcomes** for users of the services that will fall within the scope of the partnership agreement;
- ensure relevant **national conditions** and **local objectives** are met; and
- make more **effective use of resources** through the establishment and utilisation of the pooled fund.

7.3 The Bury Locality Plan for Health and Social Care Transformation 2017-21 further reinforced this ambition and set out the desire to form a 'One Commissioning Organisation' (OCO) which would have a remit to:

- bring together health and social care commissioning functions of the CCG and Council into one structure;
- create pooled and aligned budget arrangements for health and social care;
- develop a single health and social care commissioning strategy;
- create a shared approach to maximizing social value;
- strategically commission for outcomes against a wide ranging and dynamic local evidence base; and
- recognise the role of the new Local Care Organisation as a single provider accountable for delivering all age services at a neighbourhood level.

7.4 Over the last 2 years a number of significant developments have established a more solid base from which future developments can be shaped, as follows:

- co-location of the CCG and Council staff members within the Bury Campus;
- establishment of an OCO Partnership Board, which includes Clinicians, Lay Members, Executives and Elected Members;
- tested how commissioning would work through an integrated model – Mental Health, CHC and LD, Carers and SEND;
- established a single Joint Executive Team across both CCG and Council;
- appointed a single CCG Chief Executive and CCG Accountable Officer in October 2018; and
- appointed a single Chief Finance Officer across both the CCG and LA in June 2019.
- established the Strategic Commissioning Board as a sub-committee of the Governing Body and Council Cabinet.

7.5 Investments were made in service improvements from Transformation Funds over a 5 year period. The COVID-19 pandemic, which started in early 2020, has caused fully integrated working on COVID related activities and has led to a greater focus on a smaller number of key services. In general other strategies, transformation and service improvement schemes put in motion by the OCO for the start of 2020/21 were stood down nationally due to the COVID outbreak and these remained suspended for the full financial year.

7.6 A commitment was given at the December SCB to prioritise funding for transformation funded services and LCO Management costs for 2021/22 onwards. With this commitment there was a £5.7m financial risk as recurrent funding was still to be identified. It was felt that there was an even greater significant financial and operational risk to terminating the services or delaying a decision. It was therefore agreed the financial risk was to be managed and mitigated by all system partners over the following months.

- 7.7 Three schemes in particular, requiring a total investment of £4.5m have continued and have brought significant support to Bury patients during the pandemic. It is the case that improved out of hospital services in this COVID-19 year has impacted on the demand for acute services and led to a reduction in the rate of growth in urgent care.
- 7.8 The services are:
- Intermediate care at home
 - Rapid community response
 - Integrated neighbourhood teams
- 7.9 It was anticipated that these services would generate savings sufficient to support their continuation. Funding for these services was due to end in May 2021, though under the national financial regime they have continued to be funded during 2021. NHSE/I have confirmed that block arrangements will continue until the end of September 2021 which may delay the financial pressure of the three schemes.
- 7.10 A task and finish group was convened with key finance and service leads to discuss funding options which currently are:
- Funding diverted from A&E and NEL growth
Implications are being worked through in context of the national financial framework and plans for 2021/22 due to be submitted in May 2021.
 - Savings from the Intermediate Care beds review.
The final savings from this review are still to be clarified as stranded costs and costs to support the reprovision of beds at Killelea have yet to be confirmed.
 - Non-Recurrent Transformation Funds.
- 7.11 Discussions are continuing with the aim to find a longer term solution to enable continuity of these services. Accordingly a further report will be brought to the May SCB meeting.
- 7.12 In practice, COVID has achieved in one year, a rapid move towards
- effective collaboration with all system partners in dealing with the pandemic;
 - enhanced and improved out of hospital care – urgent care, accelerated discharges, outpatients, as well as the roll out of test and trace and COVID vaccination programme;
 - significantly reduced hospital activity to release COVID capacity;
 - better use of technology - virtual clinical assessments, meetings, and agile working.
- 7.13 Whilst it is the case that some activity will return to the acute hospitals, most notably elective activity to address the massively increased waiting lists, there is now the opportunity to consolidate on best practices introduced during 2020/21.
- 7.14 Embedding new ways of working and effective partnerships represents a major step forwards that can be built on in the next post COVID period through developing new care models and approaches and by enhancing effective neighbourhood and locality working.

8 Recommendations

8.1 The SCB is asked to:

- Note that all Quarter 4 figures are provisional as Month 12 has not yet closed.
- Note the increase to the ICF budget as a result of CCG budget allocations received since the Quarter 3 report to SCB and accept their allocation to the ICF.
- Note the ICF forecast financial position at Quarter 4 of £1.3m underspend (provisional) and the assumptions on which it is based.
- Note the need for a longer term solution to be found to support the services funded from Transformation and other short term funding solutions and that a further report will be brought to the SCB meeting in May.
- Note the financial risks to Bury.

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Associate CFO

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March 2021

Appendices:

Service area	20/21 Budget £'000	20/21 Forecast Outturn £'000	20/21 Variance £'000
CCG Pool Contribution	(230,061)	(230,061)	0
LA Pool Contribution	(92,547)	(92,547)	0
CCG Pool Additional Contribution	(10,500)	(15,000)	(4,500)
LA Pool Additional Contribution	0	4,500	4,500
Total Pool Contribution	(333,108)	(333,108)	0
Acute Health Services	84,252	84,699	447
Community Health Services	24,202	22,997	(1,205)
Continuing Healthcare	22,749	23,881	1,132
Mental Health & Learning Disabilities Services	37,867	36,484	(1,384)
Primary Care Services	43,026	43,057	31
Adult Social Care	16,782	16,318	(464)
Care in the Community	39,747	40,034	287
Public Health	10,435	10,226	(209)
Other OCO Services	21,740	21,507	(233)
Childrens Social Care	6,515	7,356	841
Other Childrens Services	6,034	5,773	(261)
Other CCG Services	8,759	9,185	427
Other Council Services	11,000	11,968	967
Total Pool Expenditure	333,108	333,483	375
Section 75 Pooled Budget	(0)	375	375
CCG Aligned Contribution	(76,738)	(76,738)	0
LA Aligned Contribution	(61,844)	(61,844)	0
Total Aligned Contribution	(138,582)	(138,582)	0
Acute Health Services	76,738	77,147	409
Childrens Social Care	15,866	15,605	(261)
Other Childrens Services	13,364	14,035	672
Business, Growth & Infrastructure	3,395	3,561	166
Operations	15,085	21,049	5,964
Other CCG Services	0	0	0
Other Council Services	14,134	5,502	(8,631)
Total Aligned Expenditure	138,582	136,899	(1,683)
Aligned Budget	0	(1,683)	(1,683)
CCG In View Contribution	(39,832)	(39,832)	0
LA In View Contribution	0	0	0
Total In View Contribution	(39,832)	(39,832)	0
Delegated Co-Commissioning Budgets	28,875	28,828	(47)
Other CCG Services	10,958	10,976	19
Other Council Services	0	0	0
Total In View Expenditure	39,832	39,804	(28)
In-View Budget	0	(28)	(28)
CCG Total Contribution	(357,131)	(361,631)	(4,500)
LA Total Contribution	(154,391)	(149,891)	4,500
Total Contribution	(511,522)	(511,522)	0
CCG Expenditure	346,631	346,631	0
LA Expenditure	164,891	163,555	(1,336)
Total Expenditure	511,522	510,186	(1,336)
Bury Integrated Commissioning Fund Total	(0)	(1,336)	(1,336)