

Adults' Commissioning Committee
11th May 2022
5. Finance Report

Item for: Assurance

Report of:	Chief Finance Officer	
Date of Paper:	3 rd May 2022	
In case of query, please contact:	Elaine Vermeulen, Interim Chief Finance Officer	
Strategic Priorities: (Please tick as appropriate)	Quality, Safety, Innovation and Research	
	Adult Services	✓
	Children's and Maternity Services	
	All Age Mental Health	✓
	Primary Care	
Mayoral Priorities: (Please tick as appropriate)	Enabling Transformation	✓
	Tackling poverty and inequality	
	Reducing Health Inequalities	
	Skills and Education (A Learning City)	
	Affordable Housing	
	Transport and Digital Connectivity	
	Tackling the Climate Change Emergency	
Vibrant Place and Spaces		
	Creating an Economy for All	
Purpose of Paper:	<p>This paper provides the Adults' Commissioning Committee with the anticipated final financial performance to the financial plan of the Adults Integrated Fund for 2021/22.</p>	

Further information

How will this benefit the health and wellbeing of Salford residents, or the CCG or City Council?	Ensuring public funding is spent appropriately. Achieving Value for Money, ensuring that funding is available to protect core services.
How does this paper address health inequalities and promote inclusion?	Financial and performance pressures associated with the adults' integrated fund services. Through management of committed developments and holding providers to account for performance.
What risks may arise as a result of this paper and how will they be mitigated?	
Does this address any existing high risks facing the organisation and how does it reduce them?	
Are there any possible conflicts of interest associated with this paper?	N/A
Will any current services or roles be affected by issues within this paper and what are they?	N/A

Note: Where appropriate, please ensure detail is provided.

Document Development

Has there been Public Engagement?	N/A
Has there been Clinical Engagement?	N/A
Has the impact on Salford socially, economically and environmentally been considered?	N/A
Has there been an analysis of any impacts on equality?	N/A
Has legal advice been obtained?	N/A
Has this been to any groups or committees for engagement, comments, or approval?	Elements have been reviewed by the Service and Finance Group

Note: Where relevant, please provide detail and ensure that it is clear how and when particular stakeholders were involved in this work, that there is clarity of what the key message/decision was, and whether amendments were requested about any part of the work.

Finance Report

1. Executive Summary

This finance report provides the Adults' Commissioning Committee (ACC) with an anticipated final financial performance of the adults' element of the Integrated Fund.

At March 2022, the adults' element of the Integrated Fund is overspent by £2.9m. This is a worsening of £0.3m from the last reported position.

Section 2 – Highlights the financial performance of the adults integrated fund up to March 2022 with an overspend of £2.9m for the year against a planned opening adults' pressure of £3.2m. The main movements are summarised below.

- £0.1m increased costs relating to Acute services
- £0.1m increased costs relating to Community services
- £0.1m increase in CHC and FNC packages of care.

Section 3 – Provides an update on the investment decisions made as part of the Adults' plan for 2021/22.

Section 4 – Gives an update on 2022/23 planning and the current assumptions and aims for each of the integrated funds.

ACC is asked to note the final financial position for the Adults' Integrated Fund in 2021/22.

2. Integrated Fund 2021/22

- 2.1 This latest finance report provides the Adults' Commissioning Committee (ACC) with the final position of the adults' element of the Integrated Fund for the financial year (2021/22). The appendices normally contain further detail, but it should be noted, due to the majority of contracts remaining on block for 2021/22 these appendices have been removed for this year as they provide detail on activity which is not currently being reported. This finance report is based on information up to the end of March 2022. The Service and Finance Group (SFG) have scrutinised the position and agreed to the key messages.
- 2.2 The final position for 2021/22 at March 2022 is an overspend of £2.9m, against a planned overspend of £3.2m for the adults' integrated fund. There has been a £0.3m net adverse movement in the position since the last report, as shown in Table 1 below:

Table 1: 2021/22 Financial Summary

	2021/22 Monitoring						ACC Reported Variance £000s	Movement in Variance £000s
	YTD Budget	YTD Actual	YTD Variance	Annual Budget	Forecast	Annual Variance		
	£000s	£000s	£000s	£000s	£000s	£000s		
TOTAL FUNDING	£427,085	£425,785	(£1,300)	£427,085	£425,785	(£1,300)	(£1,300)	-
Adult Social Care	£103,707	£103,707	-	£103,707	£103,707	-	-	-
Acute Services	£96,055	£96,055	£0	£96,055	£96,055	£0	-	£0
Community Services	£32,026	£32,026	-	£32,026	£32,026	-	-	-
TOTAL - ICO	£231,789	£231,789	£0	£231,789	£231,789	£0	-	£0
Acute Services	£25,918	£25,893	(£26)	£25,918	£25,893	(£26)	(£143)	£117
Adult Social Care	£3,942	£4,140	£198	£3,942	£4,140	£198	£200	(£2)
Adult Social Care - Capital	£3,500	£3,500	-	£3,500	£3,500	-	-	-
Community Assets/ Voluntary Sector	£2,202	£2,205	£3	£2,202	£2,205	£3	£1	£2
Community Services	£3,682	£3,769	£87	£3,682	£3,769	£87	£1	£86
Continuing Health Care & Funded Nursing Care	£6,582	£5,724	(£858)	£6,582	£5,724	(£858)	(£970)	£112
Mental Health Services - NHS	£36,172	£36,193	£22	£36,172	£36,193	£22	£20	£2
Mental Health Services - Private & Voluntary Sector	£8,859	£9,062	£203	£8,859	£9,062	£203	£123	£80
Public Health Services	£8,896	£8,896	£0	£8,896	£8,896	£0	£0	£0
TOTAL - Non ICO	£99,752	£99,382	(£370)	£99,752	£99,382	(£370)	(£767)	£397
Acute Services	£84,908	£84,879	(£29)	£84,908	£84,879	(£29)	(£29)	£0
Ambulance Services	£10,808	£10,806	(£2)	£10,808	£10,806	(£2)	(£2)	(£0)
Community Services	£57	£57	-	£57	£57	-	-	-
NHS 111	£974	£992	£18	£974	£992	£18	£18	(£0)
Termination of Pregnancies	£641	£800	£159	£641	£800	£159	£126	£33
TOTAL - Aligned	£97,388	£97,534	£146	£97,388	£97,534	£146	£113	£33
TOTAL - Committed Developments	£1,320	-	(£1,320)	£1,320	-	(£1,320)	(£1,233)	(£86)
TOTAL EXPENDITURE	£430,249	£428,705	(£1,544)	£430,249	£428,705	(£1,544)	(£1,887)	£343
Over/(Under) Spend	£3,164	£2,920	(£244)	£3,164	£2,920	(£244)	(£587)	£343
Description		£'000's	%					
CCG Element of Over/(Under) Spend		£2,336	80%					
Council Element of Over/(Under) Spend		£584	20%					
Grand Total		£2,920	100%					

- 2.2.1 Customer & Client Receipts** - As part of regular monitoring of the income undertaken by local authority colleagues there has been no movement in client income since the last report. The level of client income is still viewed as much lower than expected. Additional staffing capacity has now been provided to enable more rapid completion of financial assessments, so this position is expected to improve over time.
- 2.2.2 Acute Services** – There have been further cost increases due to more activity being seen in non-contracted areas.
- 2.2.3 Community Services** – There has been increased diagnostic activity in the last few months as providers work to clear the backlog in patient demand.
- 2.2.4 Continuing Health Care & Funded Nursing Care** – There has been a slight increase in the number of care packages since the last report resulting in a small adverse movement of £0.1m.
- 2.2.5 Adult Social Care (ASC)** - Although ASC is shown to have a breakeven position, this has only been achievable due to additional funding from the hospital discharge programme (HDP). Commissioners also contributed £1.3m that was set aside for the opening risk of the ASC position on a non-recurrent basis in 2021/22. This funding has been used to mitigate the risks in year and afford a breakeven position for commissioners.

3. Strategy and Investments

- 3.1 An amount of £9.8m was set to be invested in 2021/22 within Adults' services on new or enhanced services across several areas at the start of 2021/22, below is the final position of these investments at March 2022 as shown in table 3 below.
- 3.2 Investments of £8.5m have been transferred into new or enhanced services during 2021/22.

Table 3: Adults' Investment Fund Summary 2021/22

Description	2021/22 Monitoring			ACC Last Reported Variance £000s	Movement in Variance £000s
	Annual Budget	Forecast	Annual variance		
	£000s	£000s	£000s		
Contingency - MHIS	(£462)	-	£462	£548	(£86)
MHIS to Children's	(£300)	-	£300	£300	-
Personality Disorders	£476	-	(£476)	(£476)	-
GM Cancer	£26	-	(£26)	(£26)	-
Perinatal	£287	-	(£287)	(£287)	-
Autism and ADHD	£150	-	(£150)	(£150)	-
Promotion of health and well being advice	£100	-	(£100)	(£100)	-
Listening Lounge funding	£84	-	(£84)	(£84)	-
Free prescriptions for Care Leavers	£2	-	(£2)	(£2)	-
Mental Health Investment Standard (MHIS) - Total	£363	-	(£363)	(£277)	(£86)
Market Shaping work stream - ASC	(£200)	-	£200	£200	-
Mayoral Priorities - Total	(£200)	-	£200	£200	-
Integrated Care transformation investment proposals	£400	-	(£400)	(£400)	-
Integrated Care Diagnostic Units	£300	-	(£300)	(£300)	-
Prehab Cancer	£0	-	(£0)	(£0)	-
Specialist Palliative Care Service	£161	-	(£161)	(£161)	-
Acute Neuro rehab tariffs increase	£107	-	(£107)	(£107)	-
Shared Care Records	£75	-	(£75)	(£75)	-
Additional Carers Grant	£45	-	(£45)	(£45)	-
Community Services Developments - Various	£50	-	(£50)	(£50)	-
Empower You	£17	-	(£17)	(£17)	-
NWAS increased Costs	£2	-	(£2)	(£2)	-
Other costs - Total	£1,157	-	(£1,157)	(£1,157)	-
Total - Investments	£1,320	-	(£1,320)	(£1,233)	(£86)

- 3.3 Mental Health Investment Standard (MHIS) - Several schemes haven't materialised and has resulted in slippage. However, the CCG managed to still meet the standard for 2021/22, therefore the remaining slippage after achievement of the target has been utilised to offset the overall adults' pressure for 2021/22.
- 3.3 Mayoral Priorities – All adult social care (ASC) funding was passed to the provider for real living wage and pay inflation etc. The contingency of £0.6m has also been passed to the provider non-recurrently to mitigate any further pressure affecting the fund in 2021/22. Commissioners will review the pressure again in 2022/23 planning.
- 3.4 Other – All these investments were reviewed by commissioners and there has been no change to this position from the last report. The slippage has been used to offset the overall pressure within the adults' fund for 2021/22. Where committed investments have slipped in this year, they will be included in the draft 2022/23 plan which has yet to be approved.

4. 2022/23 Financial Planning

- 4.1 The locality is finalising detailed financial planning for 2022/23 with colleagues from Salford CCG, Salford Council and Salford Care Organisation regarding the integrated fund. With changes to the commissioning landscape with the demise of CCGs and formation of Integrated Care Boards, it has made the process more complicated, and changes are being made to the type of spend that will still be delegated to the locality and so available to include within the integrated fund. Although early indications were that the quantum of the integrated fund was expected to reduce to circa £350m from its current level of £660m, this is currently under review as more detailed guidance emerges.
- 4.2 The current position is that the locality is working on the basis that the integrated fund will be no greater than the £6.1m opening deficit to commissioners which was affordable to the CCG and council and their respective contributions to that deficit.

5. Risks

- 5.1 Recurrent underlying financial pressure on the fund and the impact that could have on the locality's ability to deliver its strategic objectives.
- 5.2 The risk of the transition of statutory responsibility from CCGs to the Integrated Care System and any consequential revision of allocation methodologies.

6. Recommendations

- 6.1 The Adults' Commissioning Committee (ACC) is asked to:
- Note the financial position for 2021/22.
 - Note the process for 2022/23 planning and current high-level position.
 - The risks outlined in section 5 above.

Elaine Vermeulen
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