



Report of: SCC Lead Officer: Eugene Walker, Executive Director of Resources

SCCG Lead Officer: Jackie Mills, Director of Finance

Report to: Joint Commissioning Committee

Date of Decision: 27 September 2021

Subject: 2021/22 BCF Budget and Month 3 Position

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000		<input type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Which Scrutiny and Policy Development Committee does this relate to? Health and Wellbeing Board				
Purpose of Report: The purpose of this report is to provide JCC with the budget of the Better Care Fund (BCF) for 2021/22, an update around the Hospital Discharge Programme (HDP) funding work underway, the position as at Month 3 and the forecast year end outturn position.				
Questions for the Joint Commissioning Committee: The Joint Commissioning Committee are asked to note the update.				
It is recommended that Joint Commissioning Committee: <ul style="list-style-type: none"> • Note the budgets for 2021/22; • Note the complexity of reporting due to the NHS financial framework arrangements for 2021/22; • Note the position to date for Month 3; Note the forecast outturn position calculated at Month 3 and that work is underway to create robust plans to address the financial position. 				

Background Papers:

Lead Officer(s) to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: (Insert names of SCC and CCG officers consulted) Sheffield Clinical Commissioning Group: <ul style="list-style-type: none"> Jackie Mills, Executive Director of Finance & Corporate Services SCC: <ul style="list-style-type: none"> Eugene Walker, Executive Director of Resources
		Legal: (Insert name of officer consulted)
		Equalities: (Insert name of officer consulted)
		Other Consultees: Sheffield Clinical Commissioning Group: <ul style="list-style-type: none"> Chris Cotton, Deputy Director of Finance Judith Town, Senior Finance Manager (BCF/ACP) SCC: <ul style="list-style-type: none"> Elizabeth Gough, Assistant Director of Finance
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	Jackie Mills, Executive Director of Finance & Corporate Services Eugene Walker, Executive Director of Resources
3	CCG lead officer who approved submission:	Jackie Mills, Executive Director of Finance & Corporate Services
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Joint Committee by the officers indicated at 2 & 3 above. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Names: Jackie Mills Eugene Walker	Job Titles: Executive Director of Finance & Corporate Services Executive Director of Resources
	Date: 16 September 2021	

2021/22 BCF BUDGET AND MONTH 3 POSITION

1. Overview

Budgets proposed for the BCF are based on the financial plans of the partners to the pooled budget: Sheffield City Council and Sheffield CCG. Both organisations have submitted plans which have been approved by their respective organisations.

In terms of Sheffield City Council, a net revenue budget of £420.4m was approved at the council meeting on 3 March 2021, which was based on a council tax increase of 4.99%, releases of corporate savings of £20m and a savings plan of £14.9m.

In terms of Sheffield Clinical Commissioning Group (CCG), the NHS Covid-19 block funding regime has remained in place into 2021/22. The financial year has been split into H1 (April-September) and H2 (October-March) with allocations given for H1 but with the budgets still not clear for the H2 period. Within this report the Annual Budgets for the CCG are based upon H1 blocks being replicated in H2. The annual budgets will need to be reviewed once guidance and the six month allocation are received in September. Initial information suggests that there will be an increased efficiency requirement within NHS budgets. Until the details are known the reporting position is assuming nil impact of this change. It should also be noted that NHS budgets are usually phased to allow for seasonal variances (eg; winter pressures) which is not possible under the current working arrangements meaning the forecast pressure will not be felt equally throughout the year.

Taking into account the assumptions and the complexity of the financial arrangements as explained above, planning details were presented to the Governing Body meeting on 4 March 2021 with an indicative budget of £978.3m for the full year (H1 and H2). This was based on additional funding announced in the budget for the NHS, alongside estimated savings requirements of £14.1m.

The 2021/22 Better Care Fund pooled budget, which includes those budgets that the City Council and the CCG have agreed to pool to support the agreed Joint Commissioning Plan, is £393m (£109m SCC element and £284m CCG element). A detailed breakdown of these budgets can be found in Appendix 1 to this paper. Work is ongoing to review additional budgets that might be included within the scope of our joint working arrangement and an update on this work will be provided to future meetings.

2. Aligned Budget

An aligned budget has been set for the element of non-elective admissions that sits outside of the BCF. Along with all other funding arrangement within the NHS the services are paid on a block basis and with the assumption of H2 funding being in line with H1. The aligned value for 2021/22 is £89.7m, which together with the £69.9m within the BCF makes the total budget for Adult inpatient Emergency Admissions £159.6m (£158.8m 2020/21).

3. Non-Recurrent Funding

The current Better Care Fund budget positions as shown do not at this time account for any Non-Recurrent Budgets or applications of grants or external funding. This is being carefully reviewed to ensure that wherever possible funding streams are identified and applied to the relevant services to mitigate any related cost pressures.

4. Hospital Discharge Programme Funding for H1 2021/22

The Hospital Discharge Programme Funding, which was available in 2020/21, has been extended, but with a reduced scope, into the first half of 2021/22. The focus of the funding is primarily around reablement services and initial wrap around support for 6 weeks in Quarter 1 and 4 weeks in quarter 2. Recent announcements indicate that a similar scheme will continue in H2 but guidance has not been released at this point.

As in 2020/21 funding will be utilised to support services led by both the City Council and the CCG to enable timely discharge from hospital and ongoing support and reablement (for the initial period of care).

5. Month Three Position

The current month three position is showing an in-year pressure of £4.8m with an expected forecast overspend of £24.6m.

BCF Position as at M03 2021/22	Annual Budget	Budget To Date	Actuals	Variance	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000	£000	£000
People Keeping Well	7,736	2,130	2,354	224	7,633	(103)
Active Support & Recovery	53,813	13,453	13,753	300	54,359	546
Community Equipment and Independent Living	4,939	1,235	1,550	315	5,381	442
On-Going Care	134,244	34,184	38,017	3,833	154,413	20,169
Expenditure on Adult Inpatient Medical Emergency Admissions	69,909	17,477	17,477	0	69,909	0
Mental Health	116,427	29,107	29,471	364	119,340	2,913
Sub total Revenue Costs	387,069	97,586	102,622	5,036	411,035	23,966
Capital Expenditure - DFG	5,653	1,413	1,248	(165)	6,249	596
Total Costs	392,721	98,999	103,870	4,871	417,284	24,562

The largest area of overspend relates to the ongoing care budgets and reflect significant cost increases both in health and social care packages of care (NB only adult services are included within the scope of the Better Care Fund at present, both organisations are also facing significant financial pressures in Children's services as well). Additional work is being undertaken at both a system level and a service levels to understand the cost drivers in detail and to develop robust recovery plans.

6. Recommendation

It is recommended that Joint Commissioning Committee:

- Note the budgets for 2021/22;
- Note the complexity of reporting due to the NHS financial framework arrangements for 2021/22;
- Note the position to date for Month 3;
- Note the forecast outturn position calculated at Month 3 and that work is underway to create robust plans to address the financial position.

NHS SHEFFIELD CCG AND SHEFFIELD CITY COUNCIL

BETTER CARE FUND BUDGET 2021/22

		Annual Budget 2021/22
1	People Keeping Well in their Local Community NHS Sheffield CCG Sheffield City Council	£'000s 1,354 6,382
Theme 1 Total - People Keeping Well in their Local Community		7,736
2	Active Support & Recovery NHS Sheffield CCG Sheffield City Council	44,981 8,832
Theme 2 Total - Active Support & Recovery		53,813
3	Independent Living Solutions NHS Sheffield CCG Sheffield City Council	2,220 2,720
Theme 3 Total - Independent Living Solutions		4,939
4	Ongoing Care NHS Sheffield CCG Sheffield City Council	57,614 76,630
Theme 4 Total - Ongoing Care		134,244
5	Expenditure on Adult Inpatient Medical Emergency Admissions NHS Sheffield CCG Sheffield City Council	69,909 0
Theme 5 Total - Adult Inpatient Medical Emergency Admissions		69,909
6	Mental Health NHS Sheffield CCG Sheffield City Council	107,572 8,856
Theme 6 Total - Mental Health		116,427
7	Capital Grants NHS Sheffield CCG Sheffield City Council	0 5,653
Theme 7 Total - Capital Grants		5,653
TOTAL		392,721

Summary	
Summary – CCG	283,650
Summary – SCC	109,071
	392,721

Memo: Aligned Budgets	
Inpatient Emergency Admissions – Other	89,668
Memo: Grand Total Inpatient Emergency Admissions	159,578

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