

| Meeting: Strategic Commissioning Board | | | |
|---|--|---|---------|
| Meeting Date | 04 January 2020 | Action | Approve |
| Item No | 8 | Confidential / Freedom of Information Status | No |
| Title | OCO Savings Review | | |
| Presented By | Will Blandamer, Joint Executive Director of Strategic Commissioning | | |
| Author | Simon O'Hare, Interim Deputy Chief Finance Officer – CCG | | |
| Clinical Lead | Dr Jeffery Schyrer, CCG Chair & Howard Hughes, Clinical Director | | |
| Council Lead | Cllr Andrea Simpson, First Deputy Leader and Cabinet Member for Health and Wellbeing | | |

Executive Summary

To further the system ownership of OCO savings and to allow a joint OCO position to be brought to SCB, a summary framework including the cost savings proposed in the council cabinet paper alongside the recovery and transformation financial trajectories was developed and circulated to senior CCG and local authority officers, finance counterparts and clinical leads.

A meeting was then held to discuss financial interdependencies and risks relating to the savings proposals. A number of issues of potential risk were recognised, including:

- a) The need to understand the existing or additional costs in the settings activity is being deflected to
- b) the considerable risk of realising some of the system savings due to the nature of the financial regime next year (phase 4 guidance awaited) and the fixed nature of much of the current system's cost base
- c) the need to include NHS provider colleagues within these discussions at the earliest opportunity

The meeting particularly focused on the transformation proposals in adult social care contained within the council cabinet paper, details of which had been circulated in advance. Discussion took place which recognised the transformative approach that was being adopted to the financial challenge - asset based, all age, technology enabled, new housing opportunities etc. However, it was recognised that the scale of the proposed reductions to the adult social care budget are significant (circa 20%) which, in itself, presents significant risks; and there is a considerable challenge in delivering the transformation programmes concurrently.

The largest area of concern was the proposal to save £1.5m in Adult Social Care, through increasing CCG expenditure in Continuing Health Care (CHC). This was based upon benchmarking which incorrectly showed that Bury was low in terms of CHC funding per head of population compared to other Greater Manchester (GM) CCGs. Upon investigation it was found that this analysis had not included "fast track" referrals, and when this total view was

taken, Bury was found to be close to the GM average, in the middle of the group.

As a result it was the belief of the multi-disciplinary group that the proposed saving of £1.5m in Adult Social Care needed to be removed, as there was not a clear evidence base and the likelihood of achievement was very low. It was however agreed to add a stretch target to the savings in CHC with the CCG of £0.25m a year in 2021/22 and 2022/23.

All present felt that the meeting was a positive step and that this was the beginning of a journey and not a one off meeting. It was agreed that there needed to be regular meetings of this nature in the remainder of 2020/21 and to continue in 2021/22 and it was also noted that system partners from the Northern Care Alliance, Pennine Care NHS Foundation Trust, and the LCO needed to be brought into these discussions to get a true system view.

The scale of the challenge and the ability to actually deliver cashable savings in 2021/22 was noted as a concern given:

- the requirement on all partners across Health and Care to deliver significant savings in 2021/22 and beyond
- the unknown NHS financial regime and CCG allocations in 2021/22
- the likelihood of a 3rd COVID-19 wave in quarter 4 of 2020/21
- the potential significant socio-economic impact of a no-deal Brexit

Recommendations

It is recommended that the Strategic Commissioning Board:

- set up a regular meeting of this type to discuss savings and the ICF budget
- include NCA, PCFT and LCO colleagues in these meetings to enable a true system view
- parties to explore any synergies between CHC and Adult Social Care
- remove the £1.5m CHC savings proposal from Adult Social Care in 2021/22
- add a stretch target to CCG CHC savings of £0.25m in 2021/22 and 2022/23
- push back the Care at Home pricing structure saving by 12 months to deliver in 2022/23 and 2023/24
- give their approval for these revised OCO savings targets to Strategic Commissioning Board, as shown in Appendix 1

Links to Strategic Objectives/Corporate Plan

Choose an item.

Does this report seek to address any of the risks included on the Governing Body / Council Assurance Framework? If yes, state which risk below:

Choose an item.

Add details here.

| Implications | | | | | | |
|---|------|-------------------------------------|----|-------------------------------------|-----|-------------------------------------|
| Are there any quality, safeguarding or patient experience implications? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> |
| Has any engagement (clinical, stakeholder or public/patient) been undertaken in relation to this report? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| Have any departments/organisations who will be affected been consulted ? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> |
| Are there any conflicts of interest arising from the proposal or decision being requested? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A | <input 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 checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| Are there any health and safety issues? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| How do proposals align with Health & Wellbeing Strategy? | Yes | | | | | |
| How do proposals align with Locality Plan? | Yes | | | | | |
| How do proposals align with the Commissioning Strategy? | Yes | | | | | |
| Are there any Public, Patient and Service User Implications? | Yes | <input checked="" type="checkbox"/> | No | <input checked="" 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 type="checkbox"/> |
| What are the Information Governance/ Access to Information implications? | None | | | | | |
| Is an Equality, Privacy or Quality Impact Assessment required? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input type="checkbox"/> |
| If yes, has an Equality, Privacy or Quality Impact Assessment been completed? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| If yes, please give details below: | | | | | | |
| EIA completed for all Adult Social Care proposals previously | | | | | | |
| If no, please detail below the reason for not completing an Equality, Privacy or Quality Impact Assessment: | | | | | | |

| Implications | | | | | | |
|---|--|-------------------------------------|----|-------------------------------------|-----|--------------------------|
| EIA not completed for this paper in isolation due to the timescales involved. | | | | | | |
| Are there any associated risks including Conflicts of Interest? | Yes | <input type="checkbox"/> | No | <input checked="" type="checkbox"/> | N/A | <input type="checkbox"/> |
| Are the risks on the CCG /Council/ Strategic Commissioning Board's Risk Register? | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> | N/A | <input 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 |
| <i>Add details of previous meetings/Committees this report has been discussed.</i> | | |
| | | |

1.0 Introduction

The Strategic Commissioning Board of December 7th 2020 received detailed papers on the current performance of the Integrated Care Fund (pooled and aligned budget between Council and CCG), and an update on 2021/22 financial plans for the Council (including details of the challenging proposed cost savings) and the CCG (noting continuing uncertainty on the nature of the financial framework in the NHS from 01/04/2021).

The Strategic Commissioning Board had a very positive discussion, recognising the importance of the joint overview of the ICF budget and a shared perspective on the financial savings and transformation programmes

The following principles of joint management of the ICF were re-confirmed at the SCB:

- Clinical & political engagement and leadership
- Co-production & collaboration
- System view
 - One pot
 - Shared objectives
 - Shared risks and benefits
 - Single reporting
 - Max benefits/min harm (e.g. no cost shunting)
- Transparency
- Check, challenge & hold to account

The purpose of this paper is to update Strategic Commissioning Board (SCB) on the latest position with regard to the OCO savings proposals for 2021/22 and beyond and any system wide risks associated with these savings proposals.

2.0 Financial Interdependencies meeting

To further the system ownership of OCO savings and to allow a joint OCO position to be brought to SCB, a summary framework including the cost savings proposed in the council cabinet paper alongside the recovery and transformation financial trajectories was developed and circulated to senior CCG and local authority officers, finance counterparts and clinical leads. Detailed propositions underpinning each of the Adult Social Care transformation proposals, and relevant equity impact assessments, were also circulated.

A meeting was then held to discuss financial interdependencies and risks relating to the savings proposals.

The meeting recognised that the locality Strategic Finance Group – which will report to the new locality system board meeting – has ownership of this and will include the views of provider partners, too. The potential role of the Strategic Finance Group in relation to a newly constituted locality system board construct was noted.

The current savings plans were discussed and the positive effect of the health and care recovery and transformation programme was recognised – in, for example, emergent evidence of activity deflections from A&E resulting from the implementation of the urgent care review. A number of issues of potential risk were recognised, including:

- a) The need to understand the existing or additional costs in the settings activity is being deflected to
- b) the considerable risk of realising some of the system savings due to the nature of the financial regime next year (phase 4 guidance awaited) and the fixed nature of much of the current system's cost base
- c) the need to include NHS provider colleagues within these discussions at the earliest opportunity

3.0 Focus on Adult Social Care

The meeting particularly focused on the transformation proposals in adult social care contained within the council cabinet paper, details of which had been circulated in advance. Discussion took place which recognised the transformative approach that was being adopted to the financial challenge - asset based, all age, technology enabled, new housing opportunities etc. However, it was recognised that the scale of the proposed reductions to the adult social care budget are significant (circa 20%) which, in itself, presents significant risks; and there is a considerable challenge in delivering the transformation programmes concurrently.

There were felt to be risks of delivery and concern was raised over the differing cultures that exist with Adult Social Care, rightly, moving towards a strength based approach using the VCFA and local resources but residents often still viewing the NHS in a more paternalistic / maternalistic way, and seeking referrals to professionals to resolve their problems / concerns. This clash in approaches was felt to be a challenge at the front line, in terms of messaging to residents and potential to reduce or hold costs at current levels in health.

Clinical leadership present in the meeting supported the body of transformation proposals, recognisably with the grain of the wider health and care recovery programmes. However, the challenges of deliverability were recognised and a commitment was made to ongoing review and development over the coming years. This includes the need for robust monitoring and evaluation of the schemes and reporting of any unintended adverse consequences across the wider system.

4.0 Continuing Health Care and Care at Home

The largest area of concern was the proposal to save £1.5m in Adult Social Care, through increasing CCG expenditure in Continuing Health Care (CHC). This was based upon benchmarking which incorrectly showed that Bury was low in terms of CHC funding per head of population compared to other Greater Manchester (GM) CCGs. Upon investigation it was found that this analysis had not included "fast track" referrals, and when this total view was taken, Bury was found to be close to the GM average, in the middle of the group. In any case, CHC assessments are made by qualified nursing staff based on national criteria and validated by council colleagues and there was no evidence of the criteria being incorrectly applied.

It was also noted that there was £0.5m saving per annum for 2021/22 and 2022/23 on CHC within the CCG savings plans. This saving is to be delivered through growth mitigation and also increased reviews of high cost / individual placements, so that when an individuals potential has been achieved, they are stepped in to more appropriate local care.

As a result it was the belief of the multi-disciplinary group that the proposed saving of £1.5m in Adult Social Care needed to be removed, as there was not a clear evidence base and the likelihood of achievement was very low. It was however agreed to add a stretch target to the

savings in CHC with the CCG of £0.25m a year in 2021/22 and 2022/23. Alongside this it was also agreed to a review of how CHC and Adult Social Care work together to build upon the existing good relationships and close working, to understand if there were any synergies that could be effected and to provide a greater understanding of both elements within both organisations.

5.0 Care at Home pricing structure

There was also a discussion on the Care at Home pricing structure proposal and its reliance upon technology to allow true contact time to be recorded and therefore charged. The impact of the COVID-19 pandemic has had a significant impact upon the review of the pricing structure and the implementation and deployment of the technology to allow this change to be made. It was therefore believed to be the most prudent option to move the saving back by 12 months. This would not effect the delivery across the 3 year time period but would mean that benefits were realised in 2022/23 and 2023/24.

6.0 Conclusion

All present felt that the meeting was a positive step and that this was the beginning of a journey and not a one off meeting. It was agreed that there needed to be regular meetings of this nature in the remainder of 2020/21 and to continue in 2021/22, to continue the conversation, the learning and the shared ownership of savings across the OCO and a shared understanding and utilisation of the ICF budget. It was also noted that system partners from the Northern Care Alliance, Pennine Care NHS Foundation Trust, and the LCO needed to be brought into these discussions to get a true system view.

The scale of the challenge and the ability to actually deliver cashable savings in 2021/22 was noted as a concern given:

- the requirement on all partners across Health and Care to deliver significant savings in 2021/22 and beyond
- the unknown NHS financial regime and CCG allocations in 2021/22
- the likelihood of a 3rd COVID-19 wave in quarter 4 of 2020/21
- the potential significant socio-economic impact of a no-deal Brexit

7.0 Recommendations

The recommendations from the multi-disciplinary group were as follows:

- set up a regular meeting of this type to discuss savings and the ICF budget
- include NCA, PCFT and LCO colleagues in these meetings to enable a true system view
- parties to explore any synergies between CHC and Adult Social Care
- remove the £1.5m CHC savings proposal from Adult Social Care in 2021/22
- add a stretch target to CCG CHC savings of £0.25m in 2021/22 and 2022/23
- push back the Care at Home pricing structure saving by 12 months to deliver in 2022/23 and 2023/24
- give their approval for these revised OCO savings targets to Strategic Commissioning Board, as shown in Appendix 1

| Programme | Area | Org | Programme Lead | Finance Lead | 2021/22 Saving Target (£'000) | 2022/23 Saving Target (£'000) | 2023/24 Saving Target (£'000) | Total All years |
|---------------|-------------------------------|----------|-------------------|--|-------------------------------|-------------------------------|-------------------------------|-----------------|
| Urgent Care | All | CCG | Lindsey Darley | Mui Wan / Simon O'Hare | TBC | TBC | TBC | TBC |
| Planned Care | All | CCG | Leah Robins | Simon O'Hare | £851 | £1,562 | £0 | £2,413 |
| Community | Adult Social Care | LA | Julie Gonda | Paul Oakley | £3,134 | £5,655 | £2,161 | £10,950 |
| Community | New LD | LA / CCG | Will Blandamer | Paul Oakley / Steve Goodwin / Sue Hargreaves | TBC | TBC | TBC | TBC |
| Community | CHC | CCG | Catherine Jackson | Craig Marshall | £750 | £750 | £0 | £1,500 |
| Community | Prescribing & High Cost Drugs | CCG | Salina Calligan | Sarah Jewitt | £803 | £750 | £0 | £1,553 |
| Community | Transformation Fund | LA / CCG | Lindsey Darley | Mui Wan / Simon O'Hare | £559 | £0 | £0 | £559 |
| Community | Intermediate Tier | CCG | Adrian Crook | Mui Wan | £1,941 | £0 | £0 | £1,941 |
| Childrens | All | LA | Shelia Durr | Steve Goodwin | TBC | TBC | TBC | TBC |
| Mental Health | All | CCG | Julie Gonda | Sue Hargreaves | TBC | TBC | TBC | TBC |
| Total | | | | | £8,038 | £8,717 | £2,161 | £18,916 |

| | | | | |
|------------------|---------------|---------------|---------------|----------------|
| LA total | £3,693 | £5,655 | £2,161 | £11,509 |
| CCG total | £4,345 | £3,062 | £0 | £7,407 |
| OCO Total | £8,038 | £8,717 | £2,161 | £18,916 |