



# Integrated Finance Overview & Scrutiny 9<sup>th</sup> October 2019

One System, One Budget - *'the right care, at the right time, in the right place'*

# Creating One Budget



- Plymouth Integrated Fund
- Section 75 Agreement between Plymouth City Council and Devon Clinical Commissioning Group
- Integrating funds of indicatively £700m
- Underpinned by Risk Share and Financial Framework

## – Complexities:

- Not all of Devon CCG / Not all of Western Locality
- CCG and Localities not coterminous with LA boundaries
- All of “People” Directorate of Local Authority
  - Adults Directorate
  - Children’s Directorate
  - ODPH

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# Section 75 - Contents (selected)



## Main Body

- Details of Pooled Fund
- Pooled Fund Management
- Risk Share Agreements, Overspends and Underspends
- Dispute Resolution
- Notice Periods

## Schedules

- Commissioning Strategies/Plans
- Governance
- Risk Share Principles
- Integrated Staff Management Protocol

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# Pooling and Aligning



- We have created a workaround such that any funding which cannot be 'pooled' is 'aligned'
- Other Options included:
  - Grants to transfer money
  - Supply of staff arrangements
- Equivalent governance and risk sharing arrangements for pooled and aligned funds
- '£ Pooled' + '£ Aligned' = '£ Integrated'

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# Cradle to Grave Integrated Fund



- Fund covers
  - Public Health
  - Leisure Services
  - Housing Services
  - Children's Services (incl Schools Grant (DSG))
  - Adult Social Care
  - Primary Care (CCG and PCC)
  - Community Health Services
  - Acute Provision
  - Running Costs

It's all in!

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# Financial Framework



- Scope
- Responsibilities
- Dissolution of the agreement
- Scope and description of the fund (including BCF)
- Statutory reporting
- Budget setting
- Risk share
- Managing transactions
- Managing performance of the fund
- Other considerations

- Underpins Section 75 agreement
- Managed in integrated commissioning finance group
- Pool fund manager

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# Risk Management & Risk Share



The partners have agreed a risk share mechanism, with a specified ceiling, which will operate as a “backstop” to the agreement:

- Maximum value of risk to share is set as 0.5% of the Applicable Value (*circa* £611m and £3m)
- Maximum risk share due to each partner is proportional to the defined contribution to the Applicable Value (*circa* CCG 65%, PCC 35%)
- Overspend for risk share is calculated as net of planned overspends (i.e. unplanned overspends)
- Overspend for risk share is adjusted for agreed service developments with differential impacts on the partners
- Risk share works both ways – i.e. is also benefit share

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# Reporting



- CCG
  - Population vs Contract
  - Contract vs Strategy
- PCC
  - Commissioner vs Provider
- Health and Local Authority
  - format & layout
  - Two Governing Bodies (CCG Gov Body & PCC Cabinet)
- Sustainability
  - Replicable
  - One Report, many audiences

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