

Mid and South Essex Community Collaborative (MSECC)

Joint Committee

Meeting	Mid and South Essex Community Collaborative Joint Committee	
Subject	Finance Update	
Date of Meeting	25 th July 2024	
Agenda Item	12.	
Author	Philip Richards – MSECC Finance Lead	
Approved by Responsible Lead	Philip Richards – Group Chief Finance Officer	
For Decision	For Assurance	For Information
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Purpose		
To update Joint Committee members on progress towards agreeing with the ICB a contract value for the MSECC single contract.		
The Joint Committee is asked to:		
The Joint Committee is asked to note the content of this report and raise any issues and questions during the discussion at the meeting.		
Summary of Key Points/implications:		
<ul style="list-style-type: none"> The financial baselines (upon which the contract is based) have now been agreed; The value of the better care fund (BCF) has been agreed so that the relative values of the NHS and Local Authority contracts are clearer; Many of the items previously listed below the line in the contract are now included as a part of the contract; and The items of potential disinvestment that had been “funded” for only the first six months of the year are now considered to need funding for the full year (following discussions in the stewardship groups). There will be some significant discussions with the ICB between the time of writing this report and the meeting date, and for this reason, a verbal update will be given at the meeting on the outstanding financial issues. The Leadership Team will need to continue efforts on delivery of efficiency and productivity requirements. 		
Forums where content has been previously discussed		
MSE Community Collaborative Executive Team <input checked="" type="checkbox"/>		
MSE Community Collaborative Strategy & Transformation <input checked="" type="checkbox"/>		
MSE Community Collaborative Core Leadership Team <input checked="" type="checkbox"/>		
MSE Community Collaborative Joint Clinical Oversight Group <input type="checkbox"/>		
MSE Community Collaborative Finance Workstream <input checked="" type="checkbox"/>		
Other <input type="checkbox"/> Please specify:		
Link to MSECC Strategic Priorities		

Strategic Priority/ Contractual priority	IMPROVE <i>(Work together to optimise and drive consistent delivery of community services, reducing inequalities)</i>	INTEGRATE <i>(With wider partners, facilitate community physical and mental health services integration with developing neighbourhood models at place)</i>	INNOVATE <i>(Take a lead role within the system to develop and deliver innovative models of care and use of technology)</i>
Creating an integrated delivery environment and culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building healthier and resilient communities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supporting more people at home (directly impacting on capacity required in acute sector)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Productivity and cost improvement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there any risks in the report that need to be noted, escalated on the risk register or added to the Board Assurance Framework?			
Yes, underlying financial risk.			
Glossary for acronyms in report (if any)			
BCF – Better Care Fund ICB – Integrated Care Board ECC – Essex County Council IMC Beds – Intermediate Care Beds			
Supporting documents/ appendices that can be provided on request			

Finance Update

1. Progress on discussions with the ICB regarding contract value

Joint Committee members will recall from the last meeting that our discussions with the ICB had indicated that the efficiency requirements in the contract were very onerous as set out in the table below:

Organisation	Tariff	CPs	Total	Total (%)
EPUT	(£1,043k)	(£1,192k)	(£2,235k)	4.69%
Provide CIC	(£922k)	(£2,556k)	(£3,478k)	8.26%
NELFT	(£1,008k)	(£362k)	(£1,370k)	2.98%
Collaborative	(£2,973k)	(£4,110k)	(£7,083k)	5.22%

The Joint Committee gave a clear steer that we should push back from a financial viewpoint, and be clear that the level of efficiencies required could not be delivered without a significant impact upon the levels of service that could be provided within the contract. These discussions have continued throughout June and the early part of July, and progress has been made on a number of issues, as follows:

- The financial baselines (upon which the contract is based) have now been agreed;
- The value of the better care fund (BCF) has been agreed so that the relative values of the NHS and Local Authority contracts are clearer;
- Many of the items previously listed below the line in the contract are now included as a part of the contract; and
- The items of potential disinvestment that had been “funded” for only the first six months of the year are now considered to need funding for the full year (following discussions in the stewardship groups).

There will be some significant discussions between the time of writing this report and the meeting date, and for this reason, a verbal update will be given at the meeting. The following points are those that continue to be discussed:

- We continue with our stance that the convergence adjustment (1.09% of contract value) should not be levied against the NELFT and the Provide elements of the contract as these two organisations sit outside of the system control total;
- We continue to make representation about the ICBs need to recognise the cost pressures we have raised based upon the fact that many are activity driven and some have been recognised in prior years;
- We continue to make representation that the upstream savings created by our Community Services should be recognised as contributors to the efficiency ask; and,

- We continue to press the ICB on making sure all national allocations for virtual wards and long covid services are made available to maximise the effectiveness of these services;

There was a national imperative to ensure that contracts were signed by 5th July 2024, and as this deadline has not been met, the contract is now receiving regional office scrutiny. I will update the Joint Committee on further progress at the meeting itself.

2. Delivering Efficiency in the Collaborative

Irrespective of the final agreement regarding contract value and the resultant savings requirements, it is clear that the three sovereign organisations need to work very closely together to fully appreciate the opportunities that exist for driving efficiency through collaboration. The quantification of the Collaborative transformation that is delivering wider system benefit is now well understood and feeding into the system financial recovery and flow governance. Key schemes from the collaborative are Virtual ward optimisation, Community and Stroke bed length of stay optimisation and Transfer of care hub implementation.

It is the areas that achieve direct costs reductions that are less well understood currently. Discussions have started in earnest involving representatives from operations and finance. We will continue to drive these discussions over the coming weeks, and will keep the Joint Committee appraised of the impact of savings schemes on services to our communities.

3. Financial Risk

The financial risk in the Community Collaborative clearly links to the financial pressure in the mid and south Essex system, and whilst this report sets out the clear efficiency requirements that are being levied as a part of the agreed contract value, there is no guarantee that our savings requirements will not be increased further.

Linking to the Efficiency discussions referred to above, the Community Collaborative Leadership Team will need to put in firm plans to manage these financial pressures, and many plans will be unpalatable. As a part of the planned reporting to the Joint Committee, the finance workstream will develop a suite of financial reports which track progress against savings plans and measure the overall financial health of the Community Collaborative.

As further context to financial risk, all of the sovereign organisations will have non-recurrent savings from 2023/24 which helped to balance the in-year financial position. The absence of these savings in 2024/25 will add further to the pressures outlined above.

4. Conclusion

The Joint Committee is asked to note the content of this report and raise any issues and questions during the discussion at the meeting.