

# Oxfordshire Health and Wellbeing Board – 13 November 2014

## Resources across the Health & Social Care System in Oxfordshire

Addendum report for *Single Health and Social Care Plan for Oxfordshire and Financial Challenges*

### Introduction

1. This paper gives an outline of the Health & Social Care economy within Oxfordshire, the budgets available and the pressures on the system. Previous reports to Health & Well Being Board have explained that, the resources available in Oxfordshire are extremely low compared to other areas of the country and this means that moving money around as envisaged in the Better Care Fund is much more difficult when all four organisations have significant financial challenges. It will require very radical change that will take time to implement. This summary of financial issues is intended as a support document to the discussion around the Single Health & Social Care Plan which will deliver that radical change.

### Summary

2. The Health & Social Care Economy is vast and complex. Budgets overlap across providers and commissioners and there are many influences on how funding is allocated and spent both within organisations and through decisions made by clients & patients.
3. This paper is by necessity high level. For the Health & Well Being board to explore the concept of a Single Plan, the discussion session will focus on an area.

### Expenditure 2014-15

4. Table 1 below summarises the expenditure.

No total is given as the expenditure in part overlaps between Commissioning organisations.

Table 1: Summary of expenditure by Organisation

Organisation	Gross Expenditure
	£'million
<b>Commissioners</b>	
Clinical Commissioning Group	643
Oxfordshire County Council – Adult Social Care	210
Oxfordshire County Council – Public Health	27
NHS England (excl. specialist services)	169
NHS England Specialist services	176

## Issues facing the Sector

### 5. Funding levels - Oxfordshire

The Funding pressures within Oxfordshire have been well covered in recent reports to the Health & Well Being Board. Pressures at a local level were set out in full in the Clinical Commissioning Group 5 Year Plan & Strategy 2014/15 to 2018/19 approved at the Health & Well Being Board in July 2014. In addition the Board received a supplementary report to the Better Care Fund Report agreed in September. That report outlined the particular funding issues affecting Oxfordshire.

It is worth repeating some of the comments made in those papers here

- the resources available in Oxfordshire are extremely low compared to other areas of the country.
- the system also faces significant challenges in both the short and long term as a result of increasing demand for services and financial pressures facing providers and commissioners across health and social care. Oxfordshire recognises the need to do more to address the increasing numbers of frail older people. Effective care for this client-group is likely to be the most significant challenge for the county's health and social care in the future. While there are increasing demands for care from a relatively small proportion

of the population, financial resources are not increasing in line with those demands – hence the need to focus on intervening early and quickly to ensure that care needs do not increase because of organisational delay.

- Oxfordshire is already an efficient system, with tighter resources than it should have. Oxfordshire Clinical Commissioning Group is the 3<sup>rd</sup> most underfunded CCG in the country at -10.79% below target. If funding were to be received at the target allocation, the Clinical Commissioning Group would receive £74.1m more.
- Both NHS providers have made significant savings in recent years in line with national expectations about cost reductions and also in the face of increasing cost pressures. In the case of Oxford University Hospitals Trust those savings total £200m since 2010/11 and are expected to be delivered at a similar annualised rate in forthcoming years. For Oxford Health NHS Foundation Trust the savings total £100m. Benchmarking also shows that Oxford Health is 12% more efficient than the average trust in the provision of both community and mental health services. The County Council will have made savings of £265m annually by 2017/18. Within this total, adult social care will have made savings of £50m annually.

## 6. Funding Levels - Nationally

The NHS Five Year Forward View was published on 23 October 2014 and sets out a vision for the future of the NHS. This indicates that the NHS requires a cash injection of £30bn of which £22bn can be met by changing the way in which the service is delivered and through integration.

In late October, Social Care experts warned of a £4.3bn funding gap by the end of the decade. The LGA and the Association of Directors of Adult Social Services have called for more funding to bridge the gap, which represents almost a third of annual adult social care spending. They said the shortfall was set to be caused by a combination of reduced government funding and rising demand on services, in particular from the country's rapidly ageing population.

## 7. Local Issues

Locally, the issues facing the sector include the availability of Commissioned services at the point they are required and the ongoing issue of the availability of workforce and the cost.

## **Conclusion**

8. The budgets fund a wide range of services. To help to visualise the breadth of services in Oxfordshire, it is proposed to focus on an area and start the discussion on developing the process for the Single Plan from that point rather than the high level figures.