

**JOINT STRATEGIC COMMISSIONING BOARD**  
**Pooled Fund Finance Report**

<b>Risk Please indicate</b>	<b>High N</b>	<b>Medium Y</b>	<b>Low N</b>
<b>Detail of Risk Description</b>	<i>This report deals with how risks are being mitigated against through arrangements that have been put in place for integrated commissioning. All commissioning activity is subject to appropriate consultation, engagement and impact assessment.</i>		

<b>Engagement taken place</b>	<b>N</b>
<b>Public involvement taken place</b>	<b>N</b>
<b>Equality Analysis/Impact Assessment completed</b>	<b>N</b>
<b>Quality Impact Assessment</b>	<b>N</b>
<b>Strategic Themes</b>	
To empower the people of Wirral to improve their physical, mental health and general wellbeing	<b>N</b>
To reduce health inequalities across Wirral	<b>N</b>
To adopt a health and wellbeing approach in the way services are both commissioned and provided	<b>Y</b>
To commission and contract for services that: <ul style="list-style-type: none"> <li>• Demonstrate improved person-centred outcomes</li> <li>• Are high quality and seamless for the patient</li> <li>• Are safe and sustainable</li> <li>• Are evidenced based</li> <li>• Demonstrate value for money</li> </ul>	<b>Y</b>
To be known as one of the leading organisations in the Country	<b>Y</b>
Provide systems leadership in shaping the Wirral Health and Social Care system so as to be fit for purpose both now and in five years' time.	<b>Y</b>

**JOINT STRATEGIC COMMISSIONING BOARD**  
(Committee in Common)

<b>Meeting Date:</b>	<b>2<sup>nd</sup> April 2019</b>
<b>Report Title:</b>	<b>Pooled Fund Finance Report</b>
<b>Lead Officer:</b>	<b>Mike Treharne</b>

## **1 INTRODUCTION / REPORT SUMMARY**

This paper provides a description of the arrangements that have been put in place to support effective integrated commissioning. It sets out the key issues in respect of:

- a) the expenditure areas that are included in the 2018/19 shared pooled fund (live) and those expenditure areas in shadow form for 2018/19, and
- b) the current and future risk and gain share arrangements.

## **2 RECOMMENDATIONS**

- 2.1 That the financial position of the live and shadow pools, as at 31<sup>st</sup> January 2019, be noted.

## **3 BACKGROUND INFORMATION**

- 3.1 The direction of travel for integrated commissioning, the business case and proposed integrated arrangements for Wirral Health and Care Commissioning (WHaCC) have been well documented via NHS Wirral CCG Governing Body Board meetings 2<sup>nd</sup> May 2017 and 5<sup>th</sup> December 2017. Local Authority Cabinet meetings 27<sup>th</sup> March 2017 and 27<sup>th</sup> November 2017.
- 3.2 The following key features of integration were outlined as essential to success;
  - Pooling resources, intelligence and planning capacity.
  - Delivering the Right Care in the Right Place at the Right Time.
  - Managing demand and reducing the cost of care.
  - Clear accountability and governance arrangements.
  - Resilience and flexibility to emerging issues in service delivery.

- 3.3 *Healthy Wirral* has been established as the core programme for delivery of key transformational programmes of health and care. WHaCC is the system lead for the delivery of this programme through the *Healthy Wirral* Partners Board.
- 3.4 The financial challenge for NHS Wirral CCG and Wirral Council will continue, regardless of integration. The key for Wirral will be to ensure that integration of commissioning is seen as an opportunity to help to transform provision to make more effective use of the resources available (making the most of the “Wirral pound”) rather than the financial challenges being seen as a barrier to integration.
- 3.5 The risks and mitigations associated with integration will continue to be monitored and updated in the months to come.

#### 4. 2018/19 POOL

- 4.1 The total fund contributed to the commissioning pool in 2018/19 amount to £131.9m, as per the table below:

Description	£m
Adult Social Care	40.8
Public Health	13.0
Children & Young People	2.0
CCG	22.3
Better Care Fund	53.7
	<b>131.9</b>

- 4.2 The total funds contributed to the shadow pool in 2018/19 amount to £532.4m, as per the table below:

Description	£m
Adult Social Care	51.0
CCG	481.4
	<b>532.4</b>

- 4.3 The budgets contained within the shadow pool comprise all other budgets within the Adult Social Care and CCG areas which are not formally pooled in 2018/19 (see 4.1)

- 4.4 A proposal will be brought back to Board for the 2019 to 2020 arrangements for that financial year.
- 4.5 Over time, services which are currently out of scope for Wirral Health and Care Commissioning may be included within the pooled funding arrangements (e.g. further Children's services). The risks of adding these services to the pooled fund arrangement will need to be assessed at the point at which these services are considering being moved.
- 4.6 A full breakdown of the pool's composition is given below and overleaf, together with the current forecast:

Area	Category	Budget	Forecast (£m)	Variance
<b>Adult Social Care</b>	Community Care for learning disabilities	39.3	39.4	(0.1)
	Community Care for mental health	9.9	10.4	(0.5)
	Children with Disabilities	1.1	1.0	(0.1)
	LD/MH Customer and client receipts	(3.0)	(3.4)	0.4
	Income from joint-funded packages	(6.5)	(6.6)	0.1
		<b>40.8</b>	<b>40.8</b>	-
<b>Public Health</b>	Stop smoking interventions	0.8	0.8	-
	Sexual health services	3.1	3.1	-
	Children's services	7.2	7.2	-
	Health checks	0.3	0.3	-
	Adult obesity	0.3	0.3	-
	Mental health	1.1	1.1	-
	Infection control	0.2	0.2	-
		<b>13.0</b>	<b>13.0</b>	-
<b>Children &amp; Young People</b>	Care packages	2.0	2.0	-
		<b>2.0</b>	<b>2.0</b>	-

*Continued overleaf*

Area	Category	Budget	Forecast (£m)	Variance
<b>CCG</b>	CHC – adult continuing care	3.7	4.2	(0.5)
	CHC – adult Personal Health Budgets	0.9	1.1	(0.2)
	Funded nursing care	0.8	0.8	-
	Learning disabilities	1.7	1.7	-
	Mental health	9.8	10.6	(0.7)
	Adult joint funded	3.8	4.1	(0.3)
	CHC – Adult joint funded PHBs	0.3	0.3	-
	CHC children's continuing care	0.9	1.0	(0.1)
	Children's PHBs	-	-	-
	CCG Contingency/Mitigation	0.3	-	0.3
		<b>22.3</b>	<b>23.8</b>	<b>(1.5)</b>
<b>Better Care Fund</b>	Integrated services	20.6	20.1	0.5
	Adult social care services	25.2	25.2	-
	CCG services	2.0	2.0	-
	DFG	3.9	3.9	-
	Innovation fund	0.9	0.9	-
	Known pressures & contingency	1.1	0.9	0.2
		<b>53.7</b>	<b>53.1</b>	<b>0.6</b>
		<b>131.9</b>	<b>132.7</b>	<b>(0.9)</b>

- 4.7 At 31<sup>st</sup> January 2019, the NHS Wirral CCG has a developing year-end pressure of £1.5m (net of contingencies) spread across all areas of the live pool which forms part of the NHS Wirral CCG's overall net unmitigated risks currently reported to NHS England. This is an adverse variance of £0.4m from the position reported at 31<sup>st</sup> October 2018 and is inclusive of £0.3m NHS Wirral CCG contingency funding allocated to the pool.

- 4.8 An underspend is anticipated on the Better Care Fund, following a comprehensive review of expenditure to date and an assessment of likely levels of expenditure for the rest of the year. Slippage is expected on a number of schemes, in addition to an expected under-use of winter contingency money as a result of the additional Winter Pressure Funding committed by the Government as part of the 2018 budget announcement.
- 4.9 A net unmitigated risk of £1.5m exists on the pool at 31<sup>st</sup> January 2019 (see 4.7). £0.6m of this is mitigated by underspend on the Better Care Fund (see 4.8), which leaves a net forecast risk of £0.9m. The Section 75 agreement mandates a 50:50 share of this deficit, i.e. £0.45m for NHS Wirral CCG and £0.45m for Wirral Council.

## 5. 2018/19 FINANCIAL RISKS AND CHALLENGES

- 5.1 Achievement of the CCGs £2m surplus control total is clearly not without financial challenge and risk, given the £19.6m savings target required to be delivered. During the planning period and working up of the CCG's financial recovery plan, gross risks and realisable mitigations were identified as follows:

<b>Risks</b>	<b>Original Plan £m</b>	<b>Current Position £m</b>
QIPP Slippage	£3.5m	£6.5m
Unidentified QIPP	£4.1m	Nil
Acute Over-performance	£2.0m	£2.0m
CHC Excess Growth	£1.0m	£2.5m
<b>Total Gross Risks</b>	<b>£10.6m</b>	<b>£10.9m</b>

<b>Mitigations</b>	<b>£m</b>	<b>£m</b>
Contingency	(£2.6m)	(£2.6m)
Re-brokerage	(£1.0m)	(£1.0m)
RTT Slippage	(£0.5m)	(£0.5m)
Other	(£0.8m)	(£1.3m)
<b>Total Mitigations</b>	<b>(£4.9m)</b>	<b>(£5.4m)</b>

<b>Overall Net Risks</b>	<b>£5.7m</b>	<b>£5.6m</b>
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- 5.2 The CCG submitted a Formal Recovery Plan to NHS England in 2018 which was approved; describing how the £1.9m identified cost pressures within the pool for 2018/19 would be mitigated along with other risks across the wider CCG however given the level of challenge a number of risks remain unmitigated.
- 5.3 Further mitigations, in addition to the above, have been developed by the CCG, although again these have proved to be particularly challenging to deliver. As part of its directions from NHS England, a Turnaround Director was recently been appointed with a remit to look at all expenditure lines across the entire CCG, to identify any further efficiency opportunities with a view to addressing the overall level of risk that currently remains unmitigated.
- 5.4 It should be noted that since the closedown of the January 2019 figures contained within this report, the CCG has been notified of non-recurrent support to be provided by NHS England enabling the CCG to report an overall surplus position for the financial year, in line with its original plans. This support will be transacted in Month 12 via the CCG's reserves in the shadow pool and will have no impact upon the live pool.
- 5.5 The financial risks and challenges facing the Social Services budget for 2018/19 were as follows:

<b>Risks</b>	<b>Original Plan £m</b>	<b>Current Position £m</b>
Demographic Growth Pressures	1.0	1.0
Overspend Carried Forward from 17/18	0.5	0.5
<b>Total Gross Risks</b>	<b>1.5</b>	<b>1.5</b>

<b>Mitigations</b>	<b>£m</b>	<b>£m</b>
AFG Pilot	0.2	0.2
ECH – Balls Road	0.1	0.1
Other Complex Care Reviews	0.1	0.1
Payment by Actuals	0.4	0.4
Supported Living Reviews	0.5	0.5
Complex One-Off Savings	0.2	0.2
<b>Total Mitigations</b>	<b>1.5</b>	<b>1.5</b>

<b>Overall Net Risks</b>	<b>-</b>	<b>-</b>
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- 5.6 The Council's savings are on track to be delivered in full by the end of the year. Any slippage will be mitigated through over-achievement of other savings, as well as the identification new savings options and one-off actions.
- 5.7 Any savings delivered above and beyond the savings target of £1.5m will contribute directly to the bottom line of the pooled fund and would be eligible to be shared between partners as described in the section 75.

## **6. ENGAGEMENT / CONSULTATION**

- 6.1 Documents and discussions in respect of the integration agenda and associated financial risks have been presented and taken place at a variety of Local Authority and CCG meetings.

## **7. LEGAL IMPLICATIONS**

- 7.1 The Local Authority and CCG lawyers have been engaged in, and crucial to the production of the section 75 agreement, and the relevant legal implications are identified within that document.

## **8. RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

- 8.1 Currently there is no significant impact on resources, ICT, staffing and assets as a result of the integration agenda. As greater integration occurs there are likely to be efficiency savings through economies of scale with appropriate sharing of posts and assets etc.

## **9. EQUALITY IMPLICATIONS**

- 9.1 No implications because it is not anticipated that the integration of commissioning functions will have an impact on equality. Rather, potential impacts on equality will come from commissioning decisions for which Equality Impact Assessments (EIAs) will need to be produced.

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## **APPENDICES**

N/A



## REFERENCE MATERIAL

N/A

## HISTORY

Meeting	Date
Joint Strategic Commissioning Board	16 <sup>th</sup> October 2018
Joint Strategic Commissioning Board	9 <sup>th</sup> December 2018