

JOINT STRATEGIC COMMISSIONING BOARD Pooled Fund Finance Report

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|-----------------------------------|---|-----------------|--------------|
| Risk Please indicate | High N | Medium N | Low Y |
| Detail of Risk Description | <i>Month 2 budget forecast; initial forecast underspend of £0.2m. However, £3.4m of cost pressures have been identified (see 5.1)</i> | | |

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

JOINT STRATEGIC COMMISSIONING BOARD

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| Meeting Date: | 19 June 2017 |
| Report Title: | Pooled Fund Finance Report - M2 |
| Lead Officer: | Andrew Roberts |

1 INTRODUCTION / REPORT SUMMARY

- 1.1 This report summarises the initial financial forecast of the pooled fund in 2018/19, as at the end of Month 2 (31 May 2018). It identifies an initial forecast underspend of £0.2m, but also highlights the risks posed by identified cost pressures brought to the pool of £3.4m.
- 1.2 It also summarises the financial position of those areas being monitored 'in shadow' in 2018/19, against which there is an initial forecast underspend of £1.5m. However, initial cost pressures of £20.3m have been identified against the shadow pool, predominantly due to the CCG's QIPP.

2 RECOMMENDATIONS

- 2.1 It is recommended that:
- The financial position of the pool and shadow pool, at 31 May, is noted.

3 BACKGROUND INFORMATION

- 3.1 The total funds contributed to the commissioning pool in 18/19 amount to £131.1m as per the table below.

| Description | £m |
|-------------------------|--------------|
| Adult Social Care | 39.8 |
| Public Health | 12.4 |
| Children & Young People | 3.2 |
| CCG | 22.0 |
| Better Care Fund | 53.7 |
| | 131.1 |

- 3.2 The Better Care Fund contribution to the pool has grown by £5.8m between 2017/18 and 2018/19 due to increases in the iBCF. The Adult Social Care contribution is comprised of packages of care and income in respect of learning disability (LD) and mental health (MH) service users. The Public Health contribution consists of a range of services detailed in the table below. The Children and Young People's contribution is made of up packages of residential care and long term care in schools for children with LD.
- 3.3 The CCG's contribution comprises packages of care for LD and MH service users as well as children's Continuing Care and Personal Health Budgets.
- 3.4 This figure is £0.8m less than reported at PFEG 10/05/18; this is due to budget realignments in Adult Social Care, prompted by the full completion of the Month 1 forecast.
- 3.5 A full breakdown of the pool's composition is given below and overleaf, together with a Month 2 forecast:

| Area | Category | Budget | Forecast (£m) | Variance |
|-------------------|---|-------------|------------------|--------------|
| Adult Social Care | Community Care for LD | 39.3 | 39.4 | 0.2 |
| | Community Care for MG | 10.0 | 9.8 | (0.1) |
| | LD/MH Customer and client receipts | (3.0) | (3.2) | (0.1) |
| | Income from LD/MH joint-funded packages | (6.4) | (6.6) | (0.2) |
| | | 39.8 | 39.5 | (0.2) |
| Public Health | Stop smoking interventions | 0.8 | 0.8 | - |
| | Sexual health services | 3.1 | 3.1 | - |
| | Children's services | 6.8 | 6.8 | - |
| | Health checks | 0.3 | 0.3 | - |
| | Adult obesity | 0.2 | 0.2 | - |
| | Mental health | 0.9 | 0.9 | - |
| | Infection control | 0.2 | 0.2 | - |
| | 12.4 | 12.4 | - | |

| Area | Category | Budget | Forecast (£m) | Variance |
|----------------------------|----------------------------------|--------------|------------------|--------------|
| Children & Young People | Care packages | 3.2 | 3.2 | - |
| | | 3.2 | 3.2 | - |
| CCG | CHC – adults | 3.7 | 3.7 | - |
| | CHC – adult PHB's | 0.9 | 0.9 | - |
| | Funded nursing care | 0.8 | 0.8 | - |
| | Learning disabilities | 1.7 | 1.7 | - |
| | Mental health | 9.8 | 9.8 | - |
| | Adult joint funded | 3.8 | 3.8 | - |
| | CHC – adult PHBs | 0.3 | 0.3 | - |
| | CHC children's | 0.9 | 0.9 | - |
| | Children's PHBs | 0.0 | 0.0 | - |
| | | 22.0 | 22.0 | - |
| Better Care Fund | Integrated services | 20.6 | 20.6 | - |
| | 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 | 1.1 | - |
| | | 53.7 | 53.7 | - |
| | | 131.1 | 130.8 | (0.2) |

- 3.6 The initial forecast underspend of £0.2m is due to the Council's initial income forecast in respect of joint funded income and client charges being slightly greater than budgeted. This will be monitored on a monthly basis and any significant changes reported as early as possible.

- 3.7 All Public Health schemes are initially forecast to spend to budget this year.
- 3.8 Children and Young People's budgets are initially forecast to balance in the pooled fund, although work is continuing to identify any known pressures against these budgets.
- 3.9 Both the CCG's schemes and the Better care fund have an initial forecast to spend to budget in 2018/19.

4 OTHER OPTIONS CONSIDERED

- 4.1 Not applicable

5 FINANCIAL IMPLICATIONS

- 5.1 The pooled fund has an initial forecast underspend of £0.2m for 2018/19. However, a number of cost pressures have been identified in both the CCG and Adult Social Care, which will require mitigation. They are detailed in the table below:

| Description | £m |
|--|------------|
| Adult Social Care | |
| Demographic growth pressures | 1.0 |
| Overspend carried forward from 2017/18 | 0.5 |
| | 1.5 |
| CCG | |
| Demographic growth pressures | 1.0 |
| QIPP relating to pooled fund | 0.9 |
| | 1.9 |
| | 3.4 |

- 5.2 The demographic growth pressures forecast in adults and the CCG are based on known historic increases in the number of individuals with LD/MH conditions, coupled the increase in costs associated with an ageing population.

- 5.3 The overspend carried forward in 2017/18 represents approximately 50% of the total overspend in Adults Social Care from that year; this was caused directly as a result of demand for services exceeding expectations.
- 5.4 Work is ongoing to quantify the mitigation identified against these pressures. They will be shared with the Board as soon as they are confirmed.
- 5.5 Known mitigations include, but are not limited to:
- Additional grant funding
 - More cost-effective commissioning
 - Application of the social care precept
 - Reviews of packages of care
- 5.6 The gain share on the pool is agreed at 50:50. The risk share to be applied to the pool in FY1 will be based on the cost pressures identified at the start of the year, i.e. £1.5m Adult Social Care and £1.9m CCG.
- 5.7 The risk/gain share in FY1 of the pool is therefore confirmed as follows:
- Risk Share: 56:44, weighted towards the CCG.
 - Gain Share: 50:50.
- 5.8 The total funds contributed to the shadow pool in 18/19 amount to £525.9m, as per the table below:

| Description | £m |
|-------------------|--------------|
| Adult Social Care | 49.8 |
| CCG | 476.1 |
| | 525.9 |

5.9 The initial forecast for Month 2 of the shadow pool is shown in the table below:

| Area | Category | Budget | Forecast (£m) | Variance |
|-------------------|------------------------------|--------------|------------------|--------------|
| Adult Social Care | Employees | 9.2 | 9.3 | - |
| | Non-Pooled Community Care | 58.2 | 58.5 | 0.3 |
| | Other Expenditure | 25.5 | 24.2 | (1.3) |
| | Customer & Client Receipts | (16.5) | (16.3) | 0.2 |
| | Grants & Reimbursements | (25.3) | (23.8) | 1.5 |
| | Joint Funded Income | (1.0) | (1.1) | (0.1) |
| | Other Income | (0.3) | (0.4) | (0.1) |
| | | 49.8 | 50.3 | 0.5 |
| CCG | NHS Contracts | 364.8 | 364.8 | - |
| | Non-NHS Contracts | 15.4 | 15.4 | - |
| | Prescribing | 57.8 | 57.8 | - |
| | Commissioned Out of Hospital | 19.5 | 19.5 | - |
| | Primary Care | 5.2 | 5.2 | - |
| | Other | 5.8 | 5.8 | - |
| | Running Costs | 5.6 | 5.6 | - |
| | Agreed Surplus | 2.0 | - | (2.0) |
| | | 476.1 | 474.1 | (2.0) |
| | | 525.9 | 524.4 | (1.5) |

5.10 The shadow pool has an initial forecast underspend of £1.5m for 2018/19. This is comprised of a small overspend (£0.5m) over in Adult Social Care and a planned £2.0m underspend in CCG. The overspend in Adults is due to an initial forecast of greater-than-anticipated demand for short-term care services, which will continue to be monitored on a monthly basis.

5.11 More CYP/Public Health budget is expected to be added to the pool in 19/20; work is continuing with these departments to establish which services may be in-scope for pooling in future years. Details will be reported to the next executive group.

5.12 Initial cost pressures have been identified in the shadow pool, totalling £1.5m for Adult Social Care and £18.8m for the CCG.

5.13 All of the figures above include the CCG's QIPP of **£19.6m**, of which £0.8m is in the pool and £18.8m in shadow; there are risks associated with this which will be reported at the next PFEG.

6 ENGAGEMENT / CONSULTATION

6.1 Not applicable.

7 LEGAL IMPLICATIONS

7.1 Not applicable.

8 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

8.1 Not applicable.

9 EQUALITY IMPLICATIONS

9.1 Not applicable.

REPORT AUTHOR: Andrew Roberts
Senior Manager, Financial Services
telephone: (0151) 666 4249
email: andrewroberts@wirral.gov.uk

APPENDICES

TABLED - Comparison between 2017/18 and 2018/19 expenditure.

REFERENCE MATERIAL

HISTORY

| Meeting | Date |
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