

JOINT STRATEGIC COMMISSIONING BOARD

Pooled Fund Finance Report

Risk Please indicate	High N	Medium Y	Low N
Detail of Risk Description	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.		

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	N
To reduce health inequalities across Wirral	N
To adopt a health and wellbeing approach in the way services are both commissioned and provided	N
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 	N
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

(Committee in Common)

Meeting Date:	28th May 2019
Report Title:	Pooled Fund Finance Report
Lead Officer:	Mike Treharne

INTRODUCTION / REPORT SUMMARY

This report 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.
- b) the current and future risk and gain share arrangements.

RECOMMENDATIONS

That the financial position of the pooled fund, as at 28th February 2019, be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

1.1 This report is for noting only.

2.0 OTHER OPTIONS CONSIDERED

2.1 N/A.

3.0 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 Wirral NHS CCG Governing Body Board meetings 2nd May 2017 and 5th December 2017, and Local Authority Cabinet meetings 27th March 2017 and 27th 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 monthly by the Pooled Fund Executive Group (PFEG) who have responsibility for managing the pool and taking mitigating actions.

4.0 FINANCIAL IMPLICATIONS

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
	131.9

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
	532.4

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

4.4 For 2019/20 there will be no change in the elements of the Pooled Fund. Reports regarding this budget will be brought to each meeting of the Joint Strategic Commissioning Board.

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
Adult Social Care	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
		40.8	40.8	-
Public Health	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	-
		13.0	13.0	-
Children & Young People	Care packages	2.0	2.0	-
		2.0	2.0	-

Continued overleaf

Area	Category	Budget	Forecast (£m)	Variance
CCG	CHC – adult continuing care	3.7	4.0	(0.3)
	CHC – adult Personal Health Budgets	0.9	1.3	(0.4)
	Funded nursing care	0.8	0.8	0.1
	Learning disabilities	1.7	1.8	(0.1)
	Mental health	9.8	10.4	(0.6)
	Adult joint funded	3.8	3.7	0.1
	CHC – Adult joint funded PHBs	0.3	0.3	(0.1)
	CHC children’s continuing care	0.9	0.8	0.1
	Children’s PHBs	-	-	-
	CCG Contingency/Mitigation	0.3	-	0.3
		22.3	23.3	(1.0)
Better Care Fund	Integrated services	20.6	20.1	0.6
	Adult social care services	25.2	25.1	0.1
	CCG services	2.0	2.0	-
	DFG	3.9	3.9	-
	Innovation fund	0.9	1.0	(0.1)
	Known pressures & contingency	1.1	0.9	0.2
		53.7	53.0	0.8
		131.9	132.1	(0.2)

4.7 At 28th February 2019, the NHS Wirral CCG has a forecast year-end pressure of £1.0m (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 a favourable variance of £0.5m from the position reported at 31st January 2019 and is inclusive of £0.3m NHS Wirral CCG contingency funding allocated to the pool.

4.8 The main causes of this favourable variation are improvements to the forecasted costs for adult and children’s fully-funded Continuing Health Care (CHC) packages.

- 4.9 An underspend of £0.8m is anticipated on the Better Care Fund; a favourable movement of £0.1m since last period. This has been caused by further slippage on a number of schemes, in addition to an expected under-use of winter contingency money as a result of the additional Social Care Winter Pressure Funding committed by the Government as part of the 2018 budget announcement.
- 4.10 Adult and Children's social care budgets are still forecast to balance to budget; there are no significant changes to either of these areas since the last reported period.
- 4.11 Public Health budgets are forecast to balance at the end of the year. Should any budgets end up in surplus, the remaining balance of grant funding will be transferred to a ring-fenced reserve to be used in 2019/20, in accordance with the terms of the grant letter.
- 4.12 A gross risk of £1.0m exists on the pool at 28th February 2019 (see 4.7). £0.8m of this is mitigated by underspend on the Better Care Fund (see 4.9), which leaves a **net forecast deficit of £0.2m**. The Section 75, National Health Services Act 2006 agreement mandates a 50:50 share of this deficit, i.e. £0.1m for NHS Wirral CCG and £0.1m for Wirral Council.

2018/19 FINANCIAL RISKS AND CHALLENGES

- 4.13 Achievement of the CCG's £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:

Risks	Original Plan £m	Current Position £m
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
Total Gross Risks	£10.6m	£10.9m

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

Overall Net Risks	£5.7m	£5.6m
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- 4.14 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.
- 4.15 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 has 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.

- 4.16 The CCG has received non-recurrent support from NHS England enabling the CCG to provisionally report an overall £2m surplus position for the financial year, in line with its control total. 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.
- 4.17 The financial risks and challenges facing the Social Services budget for 2018/19 are as follows:

Risks	Original Plan £m	Current Position £m
Demographic Growth Pressures	1.0	1.0
Overspend Carried Forward from 2017/18	0.5	0.5
Total Gross Risks	1.5	1.5

Mitigations	£m	£m
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
Total Mitigations	1.5	1.5
Overall Net Risks	-	-

- 4.18 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.
- 4.19 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, National Health Services Act 2006 agreement.

2019/20 FINANCIAL RISKS AND CHALLENGES

- 4.20 There is a forecast net budget deficit of £5.0m forecast in Adult Social Care in 2019/20, of which £2.5m relates to services within the pool. The Department is working proactively with its NHS partners to identify ways in which this deficit can be mitigated.

- 4.21 Work is continuing with the CCG to establish the level of efficiencies required in order to meet its control total for 2019/20. Initial estimates suggest that the amount attributable to the pool is likely to be in the same region as the £800k achieved in 2018/19.

5.0 LEGAL IMPLICATIONS

- 5.1 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.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 Currently there is no significant impact on resources, Information and Communication Technology (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.

7.0 RELEVANT RISKS

- 7.1 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.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 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.

9.0 EQUALITY IMPLICATIONS

- 9.1 No implications have been identified 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

BACKGROUND PAPERS

N/A

HISTORY

Meeting	Date
Pooled Fund Executive Group	23 rd April 2019
Joint Strategic Commissioning Board	4 th April 2019
Joint Strategic Commissioning Board	9 th December 2018
Joint Strategic Commissioning Board	16 th October 2018