

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:	9th July 2019
Report Title:	Pooled Fund Finance Report
Lead Officer:	Mike Treharne

1 INTRODUCTION / REPORT SUMMARY

This report describes 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 were included in the 2018/19 shared (“pooled”) fund
- b) the current and future risk and gain share arrangements.

2 RECOMMENDATIONS

- 2.1 That the final financial position of the pooled fund, as at 31st March 2019, be noted.

3 BACKGROUND INFORMATION

- 3.1 The background to the formation of the pooled fund is contained in previous months’ reports.
- 3.2 The financial challenge for NHS Wirral Clinical Commissioning Group (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.
- 3.3 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 amounted 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 amounted 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 were not formally pooled in 2018/19 (see 4.1)

4.4 A full breakdown of the 2018/19 pool's composition is given 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)

4.5 At 31st March 2019, NHS Wirral CCG had forecast a year-end pressure of £1.0m (net of contingencies) spread across all areas of the pool which forms part of NHS Wirral CCG’s overall net unmitigated risks currently reported to NHS England. This is consistent with the adverse position reported in February 2019 and is inclusive of £0.3m of NHS Wirral CCG’s contingency funding allocated to the pool.

- 4.6 An underspend of £0.8m occurred on the Better Care Fund, consistent with the forecast from the previous period. This has been caused by further slippage on a number of schemes, in addition to an under-use of specific winter contingency. Pressure on that fund reduced money, as a result of the additional Social Care Winter Pressure Funding committed by the Government as part of the 2018 budget announcement.
- 4.7 Adult and Children's social care budgets balanced at the end of the year, consistent with the forecast presented in February 2019.
- 4.8 Public Health budgets balanced at the end of the year, consistent with the forecast presented in February 2019.
- 4.9 A gross deficit of £1.0m existed on the pool at 31st March 2019 (see 4.6). £0.8m of this was mitigated by underspend on the Better Care Fund (see 4.7), which left a **net deficit of £0.2m**. The Section 75 agreement mandated a 50:50 share of this deficit, i.e. £0.1m for NHS Wirral CCG and £0.1m for Wirral Council.
- 4.10 Please note that all figures quoted above, although being presented as final figures, are still subject to clearing through all relevant year-end processes, including external audit.
- 4.11 Work is continuing to confirm the total pooled fund value for 2019/20. A proposed budget for the pool for 2019/20 will be brought back to the Pooled Fund Executive Group for approval at their next meeting on 20th June 2019. Once approved the forecast for Quarter 1 against the 2019/20 budget will then be presented to this board.
- 4.12 It has been agreed, however, that the scope and range of the pooled fund will not change for 2019/20.

5. 18/19 FINANCIAL RISKS AND CHALLENGES

- 5.1 Achievement of the CCGs £2m surplus control total was achieved despite financial challenge and risk, given the £19.6m savings target that had to be delivered. During the planning period and implementation of the CCGs financial recovery plan, gross risks and realisable mitigations were identified as follows:

Continued overleaf

CCG 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

CCG 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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- 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 remained unmitigated.
- 5.3 Further mitigations, in addition to the above, were developed by the CCG, although again these proved 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 in 2019/20.
- 5.4 The CCG has received non-recurrent support from NHS England enabling the CCG to report an overall £2m surplus position for the financial year, in line with its control total. This support was 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 that faced the Social Services budget for 2018/19 were as follows:

Risks	Original Plan £m	Current Position £m
Demographic Growth Pressures	1.0	1.0
Overspend Carried Forward from 17/18	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	-	-

- 5.6 The Council's savings were delivered in full by the end of the year. Any individual areas of slippage were mitigated through over-achievement of other savings as well as one-off actions.

6. 2019/20 FINANCIAL RISKS AND CHALLENGES

- 6.1 There is a forecast net budget deficit of £4.7m forecast in Adult Social Care in 2019/20, of which £2.4m 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; currently £0.7m of savings plans have been identified. Further investigation, based on Assistive Technologies and greater levels of independence are in development.
- 6.2 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.

7. ENGAGEMENT / CONSULTATION

- 7.1 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.

8. LEGAL IMPLICATIONS

- 8.1 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.

9. RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 9.1 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.

10. EQUALITY IMPLICATIONS

- 10.1 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 EIA's will need to be produced.

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APPENDICES

N/A

BACKGROUND PAPERS

N/A