

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	
<i>Working as One, Acting as One</i> – we will work together with all partners for the benefit of the people of Wirral.	Y
<i>Listening to the views of local people</i> – we are committed to working with local people to shape the health and care in Wirral.	Y
<i>Improving the health of local communities and people</i> – Wirral has many diverse communities and needs. We recognise this diversity and will help people live healthier lives, wherever they live.	Y
<i>Caring for local people in the longer term</i> – we will focus on having high quality and safe services, with the best staff to support the future as well as the present.	Y
<i>Getting the most out of what we have to spend</i> – we will always seek to get the best value out of the money we receive.	Y

JOINT STRATEGIC COMMISSIONING BOARD

(Committee in Common)

Meeting Date:	12 November 2019
Report Title:	Pooled Fund Finance Report
Lead Officer:	Mike Treharne, Chief Finance Officer, NHS Wirral CCG and Wirral Health & Care Commissioning

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 19/20 shared (“pooled”) fund
- b) the current and future risk and gain share arrangements.

2 RECOMMENDATIONS

- 2.1 That this report, including the financial position at 31st August 2019, be noted.

3 BACKGROUND INFORMATION

- 3.1 The background to the formation of the pooled fund is contained in previous months’ reports. It was agreed by the Group that the services contained within the Pooled Fund in 2018/19 would continue in their current guise for 2019/20, with no new services being added.
- 3.2 The financial challenges experienced by NHS Wirral CCG and Wirral Council will continue throughout 2019/20, despite 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. Financial benefits from integration will flow as a result of more efficient commissioning and the increased health and wellbeing of Wirral residents.
- 3.3 The risks and mitigations associated with integration will continue to be monitored and updated in the months to come.

4. 2019/20 POOL

- 4.1 The fund contributed to the commissioning pool in 19/20 is proposed below and totals £140.4m. This is an increase of £1.8m, caused by the introduction of Winter Pressures Funding (£1.8m) in the Better Care Fund and a marginal budget realignment in Adult Social Care.

Description	£m
Adult Social Care	43.4
Public Health	12.7
Children & Young People	1.8
CCG	24.6
Better Care Fund	57.9
	140.4

- 4.2 A full breakdown of the 2019/20 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	41.3	41.4	-
	Community Care for mental health	11.0	11.3	(0.3)
	Children with Disabilities	1.1	1.2	(0.1)
	LD/MH Customer and client receipts	(3.5)	(3.5)	-
	Income from joint-funded packages	(6.6)	(7.2)	0.6
		43.4	43.1	0.2
Public Health	Stop smoking interventions	0.7	0.7	-
	Sexual health services	3.0	3.0	-
	Children's services	7.1	7.1	-
	Health checks	0.3	0.3	-
	Adult obesity	0.2	0.2	-
	Mental health	1.1	1.1	-
	Infection control	0.2	0.2	-
		12.7	12.7	-

Area	Category	Budget	Forecast (£m)	Variance
CCG	CHC – adult continuing care	3.5	3.5	-
	CHC – adult Personal Health Budgets	1.9	1.9	-
	Funded nursing care	0.8	0.8	-
	Learning disabilities	2.0	2.0	-
	Mental health	11.5	11.5	-
	Adult joint funded	3.3	3.3	-
	CHC – Adult joint funded PHBs	0.9	0.9	-
	CHC children’s continuing care	0.8	0.8	-
	Children’s PHBs	-	-	-
		24.6	24.6	-
Children & Young People	Care packages	1.8	1.9	(0.1)
		1.8	1.8	-
Better Care Fund	Integrated services	20.6	20.7	(0.1)
	Adult social care services	30.1	30.1	-
	CCG services	2.0	2.0	-
	DFG	4.2	4.2	-
	Innovation fund	0.5	0.5	-
	Known pressures & contingency	0.6	0.6	-
		57.9	58.0	(0.1)
		140.4	140.3	-

4.3 The overall pooled fund is forecast to balance to budget at year-end. This comprises three minor variances to budget which have the effect of mitigating each other. These are explained overleaf:

- 4.3.1 There is a forecast deficit of £0.1m in Better Care Fund, caused by the introduction of the new Home to Assess scheme. This is intended to be funded from budget surplus in the Home first schemes, although no such surplus is yet being forecast.
- 4.3.2 There is a forecast budget surplus in Adult Care and Health due to an internal data cleansing technique which has increased the forecast for joint funded income; this is offset by increased care costs as a result of increased demand for Mental Health services.
- 4.3.3 There is a forecast budget deficit of £0.1m in Children & Young People due to a greater demand for the service than previously anticipated.
- 4.4 CCG and Public Health budgets are forecast to balance at year-end. Any budget surplus on public health services will remain ringfenced under the terms of the Public Health grant and must be spent in accordance with the terms of the grant condition.

5. 2019/20 Forecast – Known Pressures

- 5.1 Various 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	1.3
Fee rate increases	1.2
	2.5
CCG	
Demographic growth pressures	1.5
QIPP relating to pooled fund	0.5
	2.0
	4.5

- 5.2 Work is ongoing to quantify the mitigation identified against these pressures. The Council savings identified against its £2.5m known pressures is included as Appendix 1 to this report.

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. RELEVANT RISKS

- 9.1 If the pooled fund fails to manage the identified pressures in 2019/20 (see 5.1), then a net unmitigated risk of up to £4.5m would materialise at year-end. This would be shared equally across both CCG and Council, as per the contractual arrangement between the two organisations.

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.

11. ENVIRONMENT AND CLIMATE IMPLICATIONS

- 11.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of CO2

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APPENDICES

Appendix 1 - Adult Social Care Savings Plans

BACKGROUND PAPERS

N/A

HISTORY

Meeting	Date
Joint Strategic Commissioning Board	5 February 2019
Joint Strategic Commissioning Board	2 April 2019
Joint Strategic Commissioning Board	28 May 2019
Joint Strategic Commissioning Board	9 July 2019
Joint Strategic Commissioning Board	10 September 2019

Appendix 1

Adult Social Care Savings Plans

Project Title	Savings Target (£)
CHC Eligibility	300,000
Residential Care Reviews	137,300
Outcome-Based Commissioning	75,700
Extra Care Housing (Pensby Road)	72,300
Residential Care - Review of 1:1 Hours	70,700
Old Chester Road	36,200
Fusion Centre	22,200
Total Savings Plans Identified to Date	714,400
Savings Plans Yet to be Identified / Contingency	1,785,600
Grand Total	2,500,000