

WIRRAL PLACE BASED PARTNERSHIP BOARD**Thursday, 10 November 2022**

REPORT TITLE:	2022/23 POOLED FUND FINANCE REPORT TO MONTH 5 AUGUST 2022
REPORT OF:	ASSOCIATE DIRECTOR OF FINANCE, CHESHIRE & MERSEYSIDE INTEGRATED CARE BOARD – WIRRAL PLACE

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) budget and variations to the expenditure areas for agreement and inclusion within the 2022/23 shared (“pooled”) fund; and
- b) risk and gain share arrangements.

In 2022/23 Wirral Health and Care partners have chosen to jointly pool £249.97m to enable a range of responsive services for vulnerable Wirral residents as well as a significant component of Better Care Funding to protect frontline social care delivery.

This paper provides a summary forecast position of the pooled fund as at Month 5 to 31st March 2023 and the financial risk exposure of each partner organisation.

The report also provides an update on the preparation of the framework partnership agreement under section 75 of the National Health Services Act 2006 relating to the commissioning of health and social care services, which will be subject to approval and final sign off by Cheshire and Merseyside Integrated Care Board (ICB).

RECOMMENDATION/S

The Wirral Place Based Partnership Board is recommended to:

- 1) Note the forecast position for the Pool at Month 5 is currently a £8.2m overspend position due to the Clinical Commissioning Group / Integrated Care Board (ICB) Wirral Place pool commissioned services and that the ICB Wirral Place holds the financial risks on this overspend.
- 2) Note that due to the overspend financial position an urgent financial recovery plan is now being developed and in progress identifying responsible leads, actions and next steps; and

- 3) Note that the shared risk arrangements are limited to the Better Care Fund only, which is reporting a break-even position.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Wirral Health and Care partners have the responsibility to maintain pooled funds and report on the expenditure under the framework partnership agreement under section 75 of the National Health Services Act 2006 (“the section 75 agreement) relating to the commissioning of health and social care services.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered as necessary.

3.0 BACKGROUND INFORMATION

- 3.1 Consistent with this the pooled fund and integrated commissioning and service delivery arrangements are intended to enable a focus on the best outcomes for the Wirral population.
- 3.2 The following key features of integration have been 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 The pooled fund arrangements are already well established in Wirral and enable a range of responsive services to vulnerable Wirral residents as well as a significant component of Better Care Fund (“BCF”) funding to protect front line social care delivery.
- 3.4 Continuing to expand the scope and scale of pooled arrangements for 2022/23 would be an important statement, that Wirral has a strong foundation for integrated commissioning at place level.

Establishment and Authorisation of the Section 75 Agreement.

3.5 The Section 75 agreement must be updated to set out the detail of budget areas that are being pooled in 2022/23 and the associated governance. There is a mandatory legal requirement to have a Section 75 agreement in place between the Council and the Cheshire and Merseyside Integrated Care Board in place to draw down the elements of the pool relating to the BCF. In this context a section 75 agreement is being progressed and a further report will be brought to this board seeking the necessary authorisation to proceed to its finalisation.

4.0 FINANCIAL IMPLICATIONS

2022/23 Pooled Fund for Wirral Place

- 4.1 The revised Pooled Fund budget for 2022/23 of £248.73m is set out in Table 1.

Table 1

	Final 21/22 £m	Proposed 22/23 £m	Revised 22/23 £m
CCG / ICB Place Pool	134.30	139.29	137.89
Health & Care	49.60	50.70	50.70
Children and Young People	1.70	1.70	1.70
Better Care Fund	55.78	58.28	58.44
Grand Total	241.38	249.97	248.73

4.2 The pooled fund has decreased this month by £1.2m from £249.9m to £248.73m. This is due to: -

- £1.2m non recurrent virements from primary care.

The change control process set out in the draft 2022/23 S75 agreement will be initiated so that this change can be formalised by both parties.

4.3 A full breakdown of the 2022/23 Pooled Fund is illustrated in Appendix 1 of this report.

4.4 As at month 5 the reported position of the pooled fund is a £5.9m overspend and a summary position in Table 2 is provided below.

Table 2

Note that the CCG "Adjustments to pool" column is net of £9.1m of non-recurrent efficiency/mitigations which have been included within this category but could equally have been shown as "Efficiency".

	Summary	2021 / 22 Budget	2021 / 22 Outturn	Adjustments to Pool (R/NR)	Inflation & Volume Increase	Efficiency	2022/23 Budget change	2022 / 23 Budget	Forecast Outturn	Variance
A	ICB Wirral Place Pool	£134.3m	£137.2m	-£5.2m	£5.8m	£0.0m	-£0.0m	£137.9m	£146.1m	£8.2m
B	Health & Care	£49.6m	£49.8m	£1.1m	£0.0m	£0.0m	£0.0m	£50.7m	£50.7m	£0.0m
C	Children and Young People	£1.7m	£1.7m	£0.0m	£0.0m	£0.0m	£0.0m	£1.7m	£1.7m	£0.0m
D	Better Care Fund	£55.8m	£55.4m	£2.9m	£0.0m	£0.0m	£0.2m	£58.4m	£58.4m	£0.0m
	Grand Total	£241.4m	£244.1m	-£1.2m	£5.8m	£0.0m	£0.1m	£248.7m	£256.9m	£8.2m

- 4.5 The overspend of £8.2m is due to the CCG / ICB Wirral place pool commissioned services. This element of financial risk lies with the ICB and is predominantly due to CHC and Mental Health packages of care (activity and price) operational pressures, which is being investigated, (see R2 and section 5) and therefore the ICB will meet the costs of this overspend. A deep dive into the main areas and a financial recovery plan has been requested and is now in the process of being developed.
- 4.6 A break even position is reported for the Better Care Fund element.

5.0 LEGAL IMPLICATIONS

- 5.1 A section 75 agreement for the pooled fund is the contractual agreement which sets out the terms of the arrangements between the Council and the ICB. Such an agreement is required in order to draw down resources under the BCF and to enable the pooling of wider funding elements which are in the scope of the arrangement. Each year, the Council's legal services are fully engaged in the development of the Section 75 agreement.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 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.

7.0 RELEVANT RISKS

- 7.1 The 2021/22 reporting arrangements will continue into 2022/23 until further ICB guidance, and as such there will be three main financial risks identified to impact the pooled budget: -
- R1 – Local Authority budget overspend;
 - R2 – CCG / ICB budget overspend; and
 - R3 – Efficiency savings are not achieved.
- 7.2 It is proposed to retain the more focused risk-sharing arrangements of 2020/21 for 2022/23. This approach removed the generic approach to risk share arrangements by targeting the 50% risk share arrangement onto the Better Care Fund, with host organisations retaining full financial risk on other areas pooled, as illustrated in Appendix 2
- 7.3 The Better Care Fund is currently showing a break-even position, so there is no risk share impact to report. The reported overspend relates specifically to R2.

8.0 ENGAGEMENT / CONSULTATION

- 8.1 There is no requirement for engagement or consultation within this report.

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 EIAs will need to be produced at the development stage.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 There are no environment and climate implications directly arising from this report.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are no community wealth implications directly arising from this report.

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APPENDICES

Appendix 1 – Proposed Section 75 Pooled Budget 2022/23

BACKGROUND PAPERS

Draft Section 75 agreement 2022/23
ICB Finance Report M5

SUBJECT HISTORY (last 3 years)

Council Meeting	Date