

Title	Place Finance Report incorporating Pooled Fund Update
Authors	Martin McDowell, Associate Director of Finance, NHS Cheshire and Merseyside (Wirral)
Report for	Wirral Place Based Partnership Board
Date of Meeting	17 th October 2024

Report Purpose and Recommendations	
<p>The purpose of this report is to provide the Wirral Place Based Partnership Board with an update on the financial position for the Wirral Place health and care system partners as at the end of August 2024, Month 5 in the financial year 2024/25.</p> <p>It is recommended that the Wirral Place Based Partnership Board notes the report and the specific recommendations in relation to the Pooled Budget, listed below,</p> <ul style="list-style-type: none"> • Note the forecast reported position for the Pool and the discharge fund as at Month 5 2024/25. • Note that the shared risk arrangements are limited to the Better Care Fund only, which is reporting a forecast breakeven position. • Note the sign off and approval process and progress of the 2024/25 Section 75 agreement which is scheduled to complete in October 2024. 	

Key Risks	
<p>The report relates to the following key risks identified in the Place Delivery Assurance Framework presented to the Wirral Place Based Partnership Board:</p> <ul style="list-style-type: none"> • <i>PDAF 1 Service Delivery:</i> Wirral system partners are unable to deliver the priority programmes within the Wirral Health and Care Plan which will result in poorer outcomes and greater inequalities for our population. • <i>PDAF 3 Collaboration:</i> Leaders and organisations in the Wirral health and care system may not work together effectively to improve population health and healthcare. • <i>PDAF 5 Finance:</i> Financial pressures in the Wirral health and care system could impact in the quality of care and patient experience. • <i>PDAF 6 Community Wealth Building:</i> The focus on responding to current service priorities and demands diverts resource and attention from delivery of longer-term initiatives in our strategies that support the broader social and economic development of the borough. 	

Governance journey			
Date	Forum	Report Title	Purpose/Decision
4 th June 2024	Joint Health and Care Group	2024/25 Proposed Pooled Fund Finance Budget Report – “Wirral Place”	Approve
3 rd September 2024	Joint Health and Care Group	2024/25 Pooled Fund M5 Finance Report – “Wirral Place”	Noting

1	Narrative																																																															
1.1	Background																																																															
1.1.1	<p>NHS Cheshire and Merseyside continues to work with each of the nine Places in the Cheshire and Merseyside Integrated Care System (ICS) to establish robust governance and assurance mechanisms through strong partnership arrangements.</p> <p>The Wirral Place Based Partnership Board (WPBPB) is the forum where NHS Cheshire and Merseyside will conduct business pertaining to the Borough transparently in the public domain and in collaboration with system partners. These arrangements will also support further delegation of decision making and resources to each Borough.</p>																																																															
1.1.2	The Place Finance Report incorporating Pooled Fund Update has been developed to update the WPBPB on progress in terms of delivering the financial plan during the year and will advise upon risks and mitigations as required.																																																															
1.2	Wirral Place System Financial Update (Month 5, September 2024)																																																															
1.2.1	<p>The Wirral system financial performance is shown in the table below, and notes that the system had an actual reported deficit of £29.5m compared with a planned year-to-date deficit of £18.1m, which represents an adverse variance of £11.3m.</p> <p>The reported forecast out-turn position for NHS Health remains in line with the planned deficit of £29.0m although all partners acknowledged significant financial risks to the delivery of this position and progressing with stringent mitigation and action plans. The Wirral Metropolitan Borough Council (MBC) financial position at Quarter 1 for Adult Health and Care has been reported to the Council's Policy and Resources Committee in its July meeting and for this area reports an adverse variance due to increased activity and costs in social care services to be mitigated.</p> <p><u>Financial Performance</u></p> <table border="1"> <thead> <tr> <th>2024/25 at Month 5</th> <th colspan="6">Financial Performance £m</th> </tr> <tr> <th>Organisation name</th> <th>YTD Plan £m</th> <th>YTD Actual £m</th> <th>YTD variance £m</th> <th>Forecast Plan £m</th> <th>Forecast outturn £m</th> <th>Forecast variance £m</th> </tr> </thead> <tbody> <tr> <td>Wirral Place (part of C&M ICB)</td> <td>(8.6)</td> <td>(15.1)</td> <td>(6.5)</td> <td>(20.7)</td> <td>(20.7)</td> <td>0.0</td> </tr> <tr> <td>Wirral Community Health & Care NHS Foundation Trust</td> <td>0.1</td> <td>0.1</td> <td>0.0</td> <td>6.5</td> <td>6.5</td> <td>0.0</td> </tr> <tr> <td>Wirral University Teaching Hospital NHS Foundation Trust</td> <td>(9.7)</td> <td>(14.5)</td> <td>(4.8)</td> <td>(16.3)</td> <td>(16.3)</td> <td>0.0</td> </tr> <tr> <td>Cheshire & Wirral Partnership NHS Foundation Trust *</td> <td>0.1</td> <td>0.1</td> <td>0.0</td> <td>1.5</td> <td>1.5</td> <td>0.0</td> </tr> <tr> <td>Total Wirral Health System</td> <td>(18.1)</td> <td>(29.5)</td> <td>(11.3)</td> <td>(29.0)</td> <td>(29.0)</td> <td>0.0</td> </tr> <tr> <td>Wirral Borough Council **</td> <td></td> <td></td> <td>0.0</td> <td>0.0</td> <td>(2.5)</td> <td>(2.5)</td> </tr> <tr> <td>Total Wirral System</td> <td>(18.1)</td> <td>(29.5)</td> <td>(11.3)</td> <td>(29.0)</td> <td>(31.1)</td> <td>(2.5)</td> </tr> </tbody> </table>	2024/25 at Month 5	Financial Performance £m						Organisation name	YTD Plan £m	YTD Actual £m	YTD variance £m	Forecast Plan £m	Forecast outturn £m	Forecast variance £m	Wirral Place (part of C&M ICB)	(8.6)	(15.1)	(6.5)	(20.7)	(20.7)	0.0	Wirral Community Health & Care NHS Foundation Trust	0.1	0.1	0.0	6.5	6.5	0.0	Wirral University Teaching Hospital NHS Foundation Trust	(9.7)	(14.5)	(4.8)	(16.3)	(16.3)	0.0	Cheshire & Wirral Partnership NHS Foundation Trust *	0.1	0.1	0.0	1.5	1.5	0.0	Total Wirral Health System	(18.1)	(29.5)	(11.3)	(29.0)	(29.0)	0.0	Wirral Borough Council **			0.0	0.0	(2.5)	(2.5)	Total Wirral System	(18.1)	(29.5)	(11.3)	(29.0)	(31.1)	(2.5)
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* note CWP part of Wirral and Cheshire places but performance shown in full

** note LA Q1 reported only Adult Care and Health

1.3 2024/25 Pooled Fund Update

1.3.1 The pooled fund and integrated commissioning and service delivery arrangements are intended to enable a focus on the best outcomes for the Wirral population.

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.

The pooled fund arrangements are already well established in Wirral and enable a range of responsive services to support vulnerable Wirral residents as well as a significant component of Better Care Fund (BCF) funding to protect frontline social care delivery.

Pooled Fund Budget

The current Pooled Fund budget for 2024/25 of £302.71m and detail is set out in Table 1 with a comparator to 2023/24 (final).

Table 1

1.3.2

	Final (S75) 23/234 £m	Updated 24/25 £m	2024/25		
			Wirral Place £m	WBC £m	Total £m
ICB - Wirral Place Pool	£162.05	£177.61	£177.61		£177.61
Health & Care	£48.93	£52.78		£52.78	£52.78
Children and Young People	£2.43	£2.43		£2.43	£2.43
Better Care Fund	£59.88	£62.05	£35.39	£26.66	£62.05
Total	£273.29	£294.87	£213.00	£81.87	£294.87
National Discharge	£5.16	£7.84	£3.35	£4.50	£7.84
Grand Total	£278.45	£302.71	£216.35	£86.37	£302.71

1.4 Pooled Fund – Month 5 Position

1.4.1 As at Month 5 the reported forecast of the pooled fund is in line with the plan £302.71m and a summary position is provided below in Table 2 overleaf,

Table 2

Summary	2024 / 25 Budget	Forecast Outturn	Variance
ICB Wirral Place Pool	£177.61m	£177.61m	£0.00m
Health & Care	£52.78m	£52.78m	£0.00m
Children and Young People	£2.43m	£2.43m	£0.00m
Better Care Fund	£62.05m	£62.05m	£0.00m
National Discharge	£7.84m	£7.84m	£0.00m
Grand Total	£302.71m	£302.71m	£0.00m

There are some budget changes to note of £1.43m following the 24/25 BCF plan submission and subsequent update to the Section 75, this is due to final allocations and baseline planning:

- (£1.65m) increase in LA income
- £2.51m increase in LA expenditure
- £0.53m increase in Wirral Place expenditure
- £0.04m increase in BCF expenditure

The Wirral Place pool budget had changed to month 5 for the following virements £2.78m mainly due to prior year impacts:

- £0.08m Prescribing
- £0.1m Primary Care
- £2.6m CHC

Table 3 below shows the forecast position on this year's discharge fund.

Table 3

Discharge Funding	2024 / 25 Budget	Forecast	Variance
ICB Wirral Place Pool	£4.50m	£4.50m	£0.00m
Adult Social Care	£3.34m	£3.34m	£0.00m
Grand Total	£7.84m	£7.84m	£0.00m

The Home First scheme has been prioritised for funding from the Integrated Care Board (ICB) allocation to Wirral Place.

1.5 Financial Risk and Risk Share Arrangements

1.5.1 The risks identified at the outset of the agreement for the year have been outlined as follows:

- R1 – Local Authority budget overspend.
- R2 – ICB budget overspend.
- R3 – Efficiency savings are not achieved.

It was proposed and agreed to retain the more focused risk-sharing arrangements into 2024/25. This approach removed the generic approach, by targeting the 50% risk share arrangement onto the Better Care Fund, with host organisations retaining full financial risk on other areas pooled.

	<p>The Better Care Fund is currently showing a forecast breakeven position, so there is no risk share impact to report.</p> <p>It should be noted however that there are some substantial financial risks emerging in the first part of the year for Wirral place pooled commissioned services (All Age Continuing Healthcare - Packages of Care and Prescribing) due to increasing activity, complexities and costs. These risks are being evaluated along with the identification of potential mitigation strategies where possible.</p>
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2	Implications
2.1	<p><i>Risk Mitigation and Assurance</i></p> <p>This report is also considered in detail by the Finance and Investment Group which provides controls for and support assurance of the management of the strategic risks PDAF 1, PDAF 3, PDAF 5 and PDAF 6. Specific financial risks relating to the delivery of organisational and wider system plans are evaluated and reported to the group.</p>
2.2	<p><i>Financial</i></p> <p>There are no direct financial implications arising from this report.</p>
2.3	<p><i>Legal and regulatory</i></p> <p>A section 75 agreement for the pooled fund is the contractual agreement which sets out the terms of the arrangement. Such an agreement is required to draw down resources under the BCF and to enable the pooling of wider funding elements which are in the scope of the arrangement. Both parties are fully engaged in the development of the Section 75 agreement which is scheduled to complete sign-off by October 2024.</p>
2.4	<p><i>Resources</i></p> <p>Wirral Council are supporting the Wirral Place Based Partnership Board and, when required, the Joint Strategic Commissioning Board. NHS Cheshire and Merseyside will support the remaining governance and assurance infrastructure.</p>
2.5	<p><i>Engagement and consultation</i></p> <p>Engagement with system partners has taken place in the development of the Better Care Fund and Pooled Budget during the process to sign-off the overall financial plan.</p>
2.6	<p><i>Equality</i></p> <p>Wirral Council and NHS Cheshire and Merseyside have a legal requirement to make sure their policies, and the way they carry out their work, do not discriminate against anyone. The business of these groups will be conducted with an awareness of the general duty requirements and place equality considerations. No Equality Impact Assessment (EIA) is required for this report.</p>
2.7	<p><i>Environment and Climate</i></p> <p>Wirral Council and NHS Cheshire and Merseyside are committed to carrying out their work in an environmentally responsible manner. There are no specific environmental or climate issues identified in this report.</p>
2.8	<p><i>Community Wealth Building</i></p> <p>Community Wealth Building in Wirral focusses on partnerships and collaboration. These partnerships are led by Wirral Council with external partners and stakeholders, including residents. NHS Cheshire and Merseyside will support the Council in community wealth building by ensuring health and care organisations in the borough</p>

	have a focus on reducing health inequalities and contribute to the development of a resilient and inclusive economy for Wirral.
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3	Conclusion
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3.1	<p>The WPBPB is asked to:</p> <ul style="list-style-type: none"> • Note the Wirral system financial position reported as at Month 5 2024/25. • Note the forecast reported position for the Pool and the Discharge Fund as at Month 5 2024/25. • Note that the shared risk arrangements are limited to the Better Care Fund only, which is reporting a forecast breakeven position. • Note the sign off and approval process and progress of the 2024/25 Section 75 agreement which is scheduled to complete by October 2024.
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4	Appendices
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	There are no appendices to this report.
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