

**WIRRAL PLACE BASED PARTNERSHIP BOARD**

Thursday, 27th July 2023

<b>REPORT TITLE:</b>	<b>2023/24 POOLED FUND BUDGET REPORT</b>
<b>REPORT OF:</b>	<b>MARTIN MCDOWELL - ASSOCIATE DIRECTOR OF FINANCE, CHESHIRE &amp; MERSEYSIDE INTEGRATED CARE BOARD – WIRRAL PLACE</b>

**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 2023/24 shared “pooled” fund; and
- b) risk and gain share arrangements.

In 2023/24 Wirral Health and Care partners have proposed to jointly pool £267.88m 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 to the proposed pooled fund budget for the financial year 2023/24 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) and Adult Social Care Committee.

**RECOMMENDATION/S**

The Wirral Place Based Partnership Board is recommended to:

- 1) Confirm support for the proposed place pooled fund budget for 2023/24.
- 2) Note that Primary Care (GP Delegated Commissioning) elements of the pooled budget are supported by ring-fencing arrangements.
- 3) Confirm support for the place-based commissioning vision if there are additional budgets that should be included within pooling arrangements either immediately or during 2023/24.
- 4) Confirm support for the proposed risk share arrangements and note that shared risk arrangements are limited to the Better Care Fund (BCF) only.

## **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 2023/24 would be an important statement, that Wirral maintains 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 2023/24 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 currently being progressed and will follow legal review from both parties for final sign off.

### **4.0 FINANCIAL IMPLICATIONS**

#### **2023/24 Proposed Pooled Fund for Wirral Place**

- 4.1 The proposed Pooled Fund budget for 2023/24 of £267.88m is set out in Table 1, with a comparator to 2022/23.

Table 1

	Final (S75) 22/23 £m	Proposed 23/24 £m	2023/24		
			Wirral Place £m	WBC £m	Total £m
ICB Wirral Place Pool	£137.88	£158.05	£158.05	£0.00	£158.05
Health & Care	£50.70	£48.67	£0.00	£48.67	£48.67
Children and Young People	£1.70	£1.70	£0.00	£1.70	£1.70
Better Care Fund	£58.04	£59.46	£33.50	£25.96	£59.46
<b>Grand Total</b>	<b>£248.32</b>	<b>£267.88</b>	<b>£191.54</b>	<b>£76.33</b>	<b>£267.88</b>
<b>National Discharge</b>	<b>£4.31</b>	<b>£5.16</b>	<b>£2.46</b>	<b>£2.70</b>	<b>£5.16</b>

- 4.2 A breakdown of the proposed Wirral pool services is shown in Appendix 1 with a summary set out in Table 2 below:

Table 2

Summary	2022 / 23 Budget	2022 / 23 Outturn	Adjustments to Pool (R/NR)	2023 / 24 Budget
ICB Wirral Place Pool	£142.46m	£153.39m	£4.76m	£158.05m
Health & Care	£48.35m	£46.55m	£2.07m	£48.67m
Children and Young People	£1.70m	£1.70m	£0.00m	£1.70m
Better Care Fund	£58.28m	£58.18m	£1.28m	£59.46m
<b>Grand Total</b>	<b>£250.79m</b>	<b>£259.82m</b>	<b>£8.18m</b>	<b>£267.88m</b>

- 4.3 Members are asked to confirm support and consider whether there are additional areas that should be brought within pooling arrangements either immediately or during the year.
- 4.4 In addition, £5.16m has been received locally in 2023/24 for National Discharge Fund. The allocation received was £2.46m ICB - Wirral Place (£2.81m 22/23) and £2.70m Local Authority (£1.5m 22/23).

## 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 2022/23 reporting arrangements will continue into 2023/24, and as such there will be three main financial risks identified to impact the pooled budget: -

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

7.2 It is proposed to retain the more focused risk-sharing arrangements into 2023/24. 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.

## **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 – Section 75 Pooled Fund Budget 2023/24

**BACKGROUND PAPERS**

JHCCEG Budget Finance Report 2023/24

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>