

WIRRAL PLACE BASED PARTNERSHIP BOARD

Thursday, 19 October 2023

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| REPORT TITLE: | 2023/24 PLACE FINANCE REPORT INCORPORATING POOLED UPDATE TO MONTH 05, AUGUST 2023 |
| REPORT OF: | ASSOCIATE DIRECTOR OF FINANCE, CHESHIRE & MERSEYSIDE INTEGRATED CARE BOARD – WIRRAL PLACE |

REPORT SUMMARY

This paper provides a high-level update of the Month 5 financial position for the Wirral Place Partnership. Due to the timing of published reports, the financial position of Wirral MBC is taken as at the end of Quarter 1 of the 23/24 Financial Year.

The paper also provides an update in relation to 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 chosen 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 an update to the pooled fund budget, a summary forecast position as at Month 5 to 31st March 2024 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) Health and Wellbeing Board and Local Authority Adult Services Committee.

RECOMMENDATION/S

The Wirral Place Based Partnership Board is recommended to:

- 1) Note the Wirral care and health system year-to-date variance from plan of £8.3m at Month 5 and that the forecast out-turn deficit is currently in line with plan of £25.6m although all system partners have acknowledged significant risks to this position.
- 2) Note the forecast position for the Pooled fund at Month 5 is currently a balanced planned budget position.
- 3)
- 4) Note that the shared risk arrangements are limited to the Better Care Fund only, which is reporting a balanced budget position.
- 5) Note that the 2023/24 Section 75 agreement has been sent for legal review and is scheduled for sign off from both parties at upcoming committee meetings in line with their respective governance requirements.

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.
- 1.2 To support Wirral Place effective integrated commissioning, approval of the 2023/24 Wirral pooled fund budget was given at the Joint Health and Care Committee on 4th July 2023.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered as necessary.

3.0 BACKGROUND INFORMATION

- 3.1 The Wirral health and care system has developed an approach to ensure that all partners take account of decisions from a wider system perspective, having undertaken several planning workshops during Q3/Q4 of the last financial year to determine the approach to the 2023/24 Financial year. Following submission and approval of relevant plans, the Wirral system financial plan was set at £25.6m deficit for the year, with the acknowledgement that system partners faced several key challenges ahead of the financial year.
- 3.2 Within the system plan, the pooled fund plays a key part to support better integrated commissioning and service delivery to enable a focus on the best outcomes for the Wirral population.
- 3.3 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.
- 3.4 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.
- 3.5 Continuing to expand the scope and scale of pooled arrangements for 2023/24 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.

- 3.6 The Section 75 agreement is 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 (CMICB) in place to draw down the elements of the pool relating to the BCF. In this context a section 75 agreement is being progressed, following legal review from both parties and is scheduled for sign off from both parties at upcoming committee meetings in line with their respective governance requirements.

4.0 FINANCIAL POSITION AND IMPLICATIONS

- 4.1 The Wirral system financial performance is shown in the Table 1 below, and notes that the system had an actual reported deficit of £23.0m compared with a planned year-to-date deficit of £14.7m, which represents an adverse variance of £8.3m.

The reported out-turn position remains in line with the planned deficit of £25.6m although all partners acknowledged significant risks to the delivery of this position. The Wirral MBC financial position at Q1 is shown below and a further update to report the Q2 position is expected at the Policy and Resources Committee in early November.

| Month 5 | Financial Performance £m | | | | | |
|--|--------------------------|------------------|--------------------|---------------------|------------------------|-------------------------|
| | YTD Plan £m | YTD Actual £m | YTD variance £m | Forecast Plan £m | Forecast outturn £m | Forecast variance £m |
| Organisation name | | | | | | |
| Wirral Place (part of C&M ICB) | (3.0) | (10.7) | (7.7) | (7.2) | (7.2) | 0.0 |
| Wirral Community Health & Care NHS Foundation Trust | 0.3 | 0.3 | 0.0 | 0.2 | 0.2 | 0.0 |
| Wirral University Teaching Hospital NHS Foundation Trust | (11.8) | (11.3) | 0.6 | (18.6) | (18.6) | 0.0 |
| Cheshire & Wirral Partnership NHS Foundation Trust * | (0.2) | (1.3) | (1.1) | 0.0 | 0.0 | 0.0 |
| Total Wirral Health System | (14.7) | (23.0) | (8.3) | (25.6) | (25.6) | 0.0 |
| Wirral Borough Council ** | | | 0.0 | 0.0 | (3.6) | 3.6 |
| Total Wirral System | (14.7) | (23.0) | (8.3) | (25.6) | (29.2) | 3.6 |

* note CWP full position included as opposed to Wirral-only element

** note LA Q1 reported only

2023/24 Pooled Fund for Wirral Place

- 4.2 As at Month 4 the Pooled Fund budget for 2023/4 of £267.88m is set out in Table 2 below.

Table 2

| Summary | 2023 / 24 Budget | Wirral Place £m | WBC £m | Total £m |
|---------------------------|------------------|-----------------|--------------|---------------|
| ICB Wirral Place Pool | £158.05m | 158.05 | | 158.05 |
| Health & Care | £48.67m | | 48.67 | 48.67 |
| Children and Young People | £1.70m | | 1.7 | 1.7 |
| Better Care Fund | £59.46m | 33.5 | 25.96 | 59.46 |
| Grand Total | £267.88m | 191.54 | 76.33 | 267.88 |

- 4.3 A full breakdown of the 2023/24 Pooled Fund budget and finance position is illustrated in Appendix 1 of this report.
- 4.4 As at month 5 the reported forecast out-turn position of the pooled fund is a small underspend of £0.1m, and a summary position is provided below in Table 3 below,

Table 3

| Summary | 2023 / 24 Budget | Forecast Outturn | Variance |
|---------------------------|------------------|------------------|----------------|
| ICB Wirral Place Pool | £158.05m | £158.05m | £0.00m |
| Health & Care | £48.67m | £48.57m | -£0.10m |
| Children and Young People | £1.70m | £1.70m | £0.00m |
| Better Care Fund | £59.46m | £59.46m | £0.00m |
| Grand Total | £267.88m | £267.78m | -£0.10m |

- 4.5 This year's national discharge fund for Wirral is £5.15m. The allocation received was split £2.46m ICB - Wirral Place and £2.69m Local Authority.
- 4.6 Table 4 overleaf shows the forecast reported position on the discharge allocation.

Table 4

| Discharge Funding | 2023 / 24 Budget | Forecast | Variance |
|--------------------------|-------------------------|-----------------|-----------------|
| CMICB Wirral Place Pool | £2.46m | £2.46m | £0.00m |
| Adult Social Care | £2.69m | £2.69m | £0.00m |
| Grand Total | £5.15m | £5.15m | £0.00m |

NB pre pay award notification

4.7 The Home First scheme has been prioritised for funding from the CMICB allocation to Wirral Place.

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 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 because 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 2023/4, and as such there will be three main financial risks identified to impact the pooled budget: -

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

7.2 It is proposed to retain the more focused risk-sharing arrangements. 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.

7.3 The Better Care Fund shows a small underspend forecast position at month 5, so there is no risk share impact to report.

7.4 It must be noted 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 and Prescribing) and these risks are being evaluated along with the identification of potential mitigation strategies where possible.

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

The PDF file may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact Louise.Morris@cheshireandmerseyside.nhs.uk if you would like this document in an accessible format.

BACKGROUND PAPERS

Draft Section 75 agreement 2023/24
JHCCEG Finance Report M5

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|-----------------|------|
| | |

APPENDIX 1 - Section 75 Pooled Budget 2023/24 – Wirral Place – Finance position M5

| A | ICB - Wirral Place | 2022 / 23 Budget | 2022 / 23 Outturn | Adjustments to Pool (R/NR) | 2023 / 24 Budget | Forecast Outturn | Variance |
|---|------------------------------|------------------|-------------------|----------------------------|------------------|------------------|--------------|
| | Commissioned out of Hospital | £66.7m | £75.5m | £5.9m | £81.3m | £81.3m | £0.0m |
| | Prescribing | £73.5m | £76.2m | £0.8m | £77.1m | £77.1m | £0.0m |
| | Primary Care | £8.3m | £7.6m | £-0.2m | £7.4m | £7.4m | £0.0m |
| | QIPP | £-6.1m | £-6.1m | £-1.7m | £-7.8m | £-7.8m | £0.0m |
| | Total | £142.5m | £153.4m | £4.8m | £158.0m | £158.0m | £0.0m |

| B | Health & Care | 2022 / 23 Budget | 2022 / 23 Outturn | Adjustments to Pool (R/NR) | 2023 / 24 Budget | Forecast Outturn | Variance |
|---|----------------------------|------------------|-------------------|----------------------------|------------------|------------------|---------------|
| | Public Health | £0.2m | £0.2m | £-0.16m | £0.0m | £0.0m | £0.0m |
| | Learning Disabilities | £44.1m | £44.6m | £0.6m | £45.2m | £45.1m | £-0.1m |
| | Mental Health | £14.4m | £13.9m | £1.1m | £15.0m | £15.4m | £0.4m |
| | Children with Disabilities | £1.1m | £0.8m | £0.3m | £1.1m | £0.9m | £-0.2m |
| | Client Charges | £-3.6m | £-3.4m | £0.0m | £-3.4m | £-3.6m | £-0.2m |
| | Joint-Funded Income | £-7.9m | £-9.5m | £0.3m | £-9.2m | £-9.2m | £0.0m |
| | Total | £48.4m | £46.6m | £2.07m | £48.7m | £48.6m | £-0.1m |

| C | Children and Young People | 2022 / 23 Budget | 2022 / 23 Outturn | Adjustments to Pool (R/NR) | 2023 / 24 Budget | Forecast Outturn | Variance |
|---|---------------------------|------------------|-------------------|----------------------------|------------------|------------------|--------------|
| | Care Packages | £1.7m | £1.7m | £0.0m | £1.7m | £1.7m | £0.0m |
| | Total | £1.7m | £1.7m | £0.0m | £1.7m | £1.7m | £0.0m |

| D | Better Care Fund | 2022 / 23 Budget | 2022 / 23 Outturn | Adjustments to Pool (R/NR) | 2023 / 24 Budget | Forecast Outturn | Variance |
|---|----------------------------|------------------|-------------------|----------------------------|------------------|------------------|--------------|
| | Integrated Services | £27.0m | £26.9m | £1.1m | £28.1m | £27.9m | £-0.2m |
| | Adult Social Care Services | £24.0m | £24.0m | £-0.0m | £23.9m | £24.1m | £0.2m |
| | CCG Services | £2.0m | £2.0m | £0.1m | £2.1m | £2.1m | £0.0m |
| | DFG | £4.7m | £4.7m | £0.0m | £4.7m | £4.7m | £0.0m |
| | Other | £0.6m | £0.6m | £0.0m | £0.6m | £0.6m | £0.0m |
| | Total | £58.3m | £58.2m | £1.3m | £59.5m | £59.5m | £0.0m |