

Title	Place Finance Report incorporating Pooled Fund Update (Month 11, February 2024)
Authors	Martin McDowell, Associate Director of Finance (Wirral)
Report for	Wirral Place Based Partnership Board
Date of Meeting	7 th May 2024

Report Purpose and Recommendations

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 February 2024.

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,

- Note the Wirral Place System forecast reported position at Month 11 2023/24.
- Note the forecast reported position for the Pool and the discharge fund as at Month 11 2023/24.
- Note that the shared risk arrangements are limited to the Better Care Fund only, which is reporting a forecast breakeven position.

Key Risks

The report relates to the following key risks identified in the Place Delivery Assurance Framework presented to the Wirral Place Based Partnership Board:

- *PDAF 1 Service Delivery:* 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.
- *PDAF 3 Collaboration:* Leaders and organisations in the Wirral health and care system may not work together effectively to improve population health and healthcare.
- *PDAF 5 Finance:* Poor financial performance in the Wirral health and care system leads to a negative impact and increased monitoring and regulation.
- *PDAF 6 Community Wealth Building:* 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
21 st December 2023	Wirral Place Based Partnership Board	Place Finance Report incorporating Pooled Fund Update (Month 7, October 2023)	Report highlighted previous month financial position

1	Narrative																																																															
1.1	Background																																																															
1.1.1	NHS Cheshire and Merseyside is working 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. 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.																																																															
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 11, February 2024)																																																															
1.2.1	<p>The Wirral system financial performance is shown in the table below, and notes that year to date (YTD) the system had an actual reported deficit of £42.2m compared with a planned deficit of £22.5m, which represents an adverse variance of £18.3m.</p> <p>The forecast reported out-turn position is £46.8m deficit against a planned deficit of £25.6m, which is £21.3m adverse variance (M10 £23.1m), the significant risks to the delivery of the annual plan that partners had previously acknowledged are now reflected in the summary. The drivers of the variance include increased activity / volume, cost and inflationary uplifts for mental health packages, continuing healthcare and prescribing (Place), and industrial action costs (WUTH).</p> <p>The Wirral MBC financial position at Q3 has been reported to the Policy and Resources Committee in its February meeting.</p> <p><u>Financial Performance</u></p> <table border="1"> <thead> <tr> <th>2023/24 at Month 11</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>(6.6)</td> <td>(20.3)</td> <td>(13.8)</td> <td>(7.2)</td> <td>(23.5)</td> <td>(16.4)</td> </tr> <tr> <td>Wirral Community Health & Care NHS Foundation Trust</td> <td>0.3</td> <td>1.0</td> <td>0.7</td> <td>0.2</td> <td>1.2</td> <td>1.0</td> </tr> <tr> <td>Wirral University Teaching Hospital NHS Foundation Trust</td> <td>(17.5)</td> <td>(22.8)</td> <td>(5.3)</td> <td>(18.6)</td> <td>(23.8)</td> <td>(5.2)</td> </tr> <tr> <td>Cheshire & Wirral Partnership NHS Foundation Trust *</td> <td>(0.1)</td> <td>(0.1)</td> <td>(0.0)</td> <td>0.0</td> <td>0.0</td> <td>0.0</td> </tr> <tr> <td>Total Wirral Health System</td> <td>(23.8)</td> <td>(42.2)</td> <td>(18.4)</td> <td>(25.6)</td> <td>(46.1)</td> <td>(20.5)</td> </tr> <tr> <td>Wirral Borough Council **</td> <td></td> <td></td> <td>0.0</td> <td>0.0</td> <td>(0.8)</td> <td>(0.8)</td> </tr> <tr> <td>Total Wirral System</td> <td>(23.8)</td> <td>(42.2)</td> <td>(18.4)</td> <td>(25.6)</td> <td>(46.8)</td> <td>(21.3)</td> </tr> </tbody> </table> <p>* note CWP part of Wirral and Cheshire places but performance shown in full</p>	2023/24 at Month 11	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)	(6.6)	(20.3)	(13.8)	(7.2)	(23.5)	(16.4)	Wirral Community Health & Care NHS Foundation Trust	0.3	1.0	0.7	0.2	1.2	1.0	Wirral University Teaching Hospital NHS Foundation Trust	(17.5)	(22.8)	(5.3)	(18.6)	(23.8)	(5.2)	Cheshire & Wirral Partnership NHS Foundation Trust *	(0.1)	(0.1)	(0.0)	0.0	0.0	0.0	Total Wirral Health System	(23.8)	(42.2)	(18.4)	(25.6)	(46.1)	(20.5)	Wirral Borough Council **			0.0	0.0	(0.8)	(0.8)	Total Wirral System	(23.8)	(42.2)	(18.4)	(25.6)	(46.8)	(21.3)
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** note LA Q3 reported only

Efficiencies Performance

At M11 the Wirral system is on track to deliver its target of £62m of efficiencies. This is forecast to be delivered ££50m recurrently and £12m non recurrently.

1.3 2023/24 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 BCF funding to protect frontline social care delivery.

Working in Integrated Care Systems, the importance of Pooled Budgets as an enabler of commissioner integration is understood from both National policy and Local operational perspectives. Continuing to expand the scope and scale of pooled arrangements for 2023/24 will be an important statement, that Wirral has a strong foundation and appetite for integrated commissioning at place level.

The Section 75 pooled fund agreement is updated to set out the detail of budget areas that are being pooled in 2023/24 and the associated governance. The 2023/24 Section 75 for Wirral has been approved, signed and sealed by both parties.

1.3.2 The Current Pooled fund Budget

The current Pooled Fund budget for 2023/24 of £272.73m is set out in Table 1 with a comparator to 2022/23.

Table 1

Summary	2023 / 24 Budget	Wirral Place £m	WBC £m	Total £m
ICB Wirral Place Pool	£161.00m	161.55		161.55
Health & Care	£48.89m		48.89	48.89
Children and Young People	£2.43m		2.43	2.43
Better Care Fund	£59.86m	33.50	26.36	59.86
Grand Total	£272.18m	195.05	77.68	272.73

There are three changes to the pooled fund this month by Wirral Place that have been actioned locally:

- £0.228m Primary Care – Central System Development Funding

(SDF) for transformation.

- £0.036m Primary Care – Central funding for T2 diabetes (early onset)
- £0.282m Prescribing - national framework for direct acting oral anticoagulants (DOAC) procurement

1.4 The Pooled Fund – Month 11 Position

1.4.1 As at month 11 the reported forecast of the pooled fund is an overspend of £18.02m, and a summary position is provided below in Table 2.

Table 2

Summary	2023 / 24 Budget	Forecast Outturn	Variance
ICB Wirral Place Pool	£161.55m	£177.03m	£15.49m
Health & Care	£48.89m	£50.37m	£1.48m
Children and Young People	£2.43m	£3.48m	£1.05m
Better Care Fund	£59.86m	£59.86m	£0.00m
Grand Total	£272.73m	£290.74m	£18.02m

Month 11 reported an overspend of £18.02m which is an adverse movement of £1.7m from month 10. The adverse movement mainly relates to overspends in LA Health and Care programmes for LD £0.5m, MH £0.8m and a reduction in client charges of £0.3m.

There are still significant pressures reported, and the substantial financial risks (activity, acuity and inflation) for Wirral place pooled commissioned services (All Age Continuing Healthcare - Packages of Care and Prescribing mainly). Review of expenditure continues heading into Month 12.

The Better Care Fund reports a breakeven forecast position, however there are pressures to highlight from the Wirral Integrated Service, which are currently being offset by underspends in Adult Social Care services.

If these pressures continue then this may impact on the delivery of the breakeven position in Month 12.

Table 3 below shows the forecast position on this year's discharge fund. There is no change from previous month.

Table 3

Discharge Funding	2023 / 24 Budget	Forecast	Variance
ICB 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

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

Table 4 below shows the detailed forecast position by scheme.

Table 4

ASC Discharge Funding - Schemes	2023/24 Budget £m	Forecast Outturn £m	Variance £m
Home First	2.46	2.46	0.00
Additional Social Worker	0.04	0.00	-0.04
Care Home Placement Officer	0.03	0.02	0.00
Care Navigators	0.09	0.06	-0.03
Rapid Discharge Under Transfer of Care Arrangements	0.61	1.36	0.75
Dom Care Market Sustainability	0.07	0.00	-0.07
DP PA Finder register	0.04	0.00	-0.04
Wirral Mind Floating Support	0.13	0.08	-0.04
Mobile Nights Service	0.50	0.50	0.00
Park House	0.39	0.26	-0.14
Re-ablement - AbleMe	0.60	0.31	-0.30
Single Point of Access	0.19	0.09	-0.10
Trusted Assessor	0.04	0.04	0.00
Total	5.16	5.15	0.00

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 place budget overspend
- R3 – Efficiency savings are not achieved.

It was proposed and agreed 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.

The Better Care Fund is currently showing a forecast breakeven position, so there is no risk share impact to report.

2 Implications

2.1 Risk Mitigation and Assurance

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.

2.2 Financial

There are no direct financial implications arising from this report.

2.3 Legal and regulatory

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. Legal services are fully engaged in the development of the Section 75 agreement which is now sign-off and seal in January 2024.
2.4	<i>Resources</i> 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.
2.5	<i>Engagement and consultation</i> 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.
2.6	<i>Equality</i> 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.
2.7	<i>Environment and Climate</i> 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.
2.8	<i>Community Wealth Building</i> 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 have a focus on reducing health inequalities and contribute to the development of a resilient and inclusive economy for Wirral.

3	Conclusion
3.1	The WPBPB is asked to: <ul style="list-style-type: none"> • Note the Wirral Place System forecast reported position at Month 11 2023/24. • Note the forecast reported position for the Pool and the discharge fund as at Month 11 2023/24. • Note that the shared risk arrangements are limited to the Better Care Fund only, which is reporting a forecast breakeven position.

4	Appendices
	There are no appendices to this report.

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