

**Report to:** Partnerships Scrutiny Committee

**Date of Meeting:** 6<sup>th</sup> April 2017

**Lead Officer:** Corporate Director: Communities (Statutory Director of Social Services)

**Report Author:** Project Manager, Regional Collaboration Team

**Title:** Pooled Budgets (Health & Social Care)

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## 1. What is the report about?

To provide an update on the regional work underway to develop integration and pooled budgets for health and social care services in line with WG legislation, as directed by the North Wales Regional Partnership Board and which is a requirement in Part 9 of the Social Services and Well-Being (Wales) Act 2014.

## 2. What is the reason for making this report?

The Social Services and Well-being (Wales) Act 2014 forms the basis for a new statutory framework for social care in Wales. The focus of the Act and its supporting regulations and codes of practice is on improving outcomes and the well-being of people, and improving efficiency and effectiveness of service delivery.

Part 9 of the Act requires the establishment of formal partnership arrangements under the direction of regional partnership boards and is specific about the establishment of pooled funds in relation to:

- The exercise of care home accommodation functions;
- The exercise of family support functions;
- Functions that will be exercised jointly as a result of an assessment carried out under section 14 of the Act or any plan prepared under section 14A.

The Statutory Guidance supporting the Act also refers to the establishment of pooled funds where appropriate and lists the following areas:

- Older people with complex needs and long term conditions, including dementia.
- People with learning disabilities.
- Carers, including young carers.
- Integrated Family Support Services.
- Children with complex needs due to disability or illness.

The financial resources expended on care, support and the health needs of older people in the region is significant and therefore the scope of any pooled arrangements within that expenditure are also likely to be significant in financial scale.

### **3. What are the Recommendations?**

That the Committee:

- 3.1 confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration;
- 3.2 notes the scale of resource expended across the region on services for older people some of which may form the basis of future pooled budget arrangements;
- 3.3 notes the issues and risks highlighted from a financial governance perspective that will need to be evaluated; and
- 3.4 considers the resource requirements to complete the above within the timescales set out in the Act and potential costs and funding sources to deliver it.

### **4. Report details**

It is the view of the Regional Partnership Board that discussions about integration and pooled budgets should be driven by the needs identified within the Population Needs Assessment. Given the geography of the region and the number of partners the intention is to develop an agreement which has the flexibility to provide for regional, sub regional and local agreements.

A Regional Pooled Budgets project group has been established, chaired by the Statutory Director of Social Services Denbighshire to develop a North Wales Integration Agreement to be signed by the six Local Authorities and BCUHB. The following areas have been identified as a starting point to explore in relation to the development of pooled budgets where possible:

- Intermediate Care Fund – although there is a Memorandum of Understanding in place a pooled budget would strengthen governance arrangements.
- Carer Services – to initially start with the Carer's Grant and then look to incorporate other areas of carers' services.
- Children with Complex Needs and Integrated Family Support Services
- Community Services – Care Homes & Domiciliary Care (Gwynedd to pilot in a locality area)

The following areas will also be explored:

- Regional Safeguarding Boards
- Equipment and adaptations

Any existing Section 33 Agreements could be brought under the new North Wales Integration Agreement.

### **5. How does the decision contribute to the Corporate Priorities?**

The Partnership Arrangements Regulations require the establishment of pooled funds in relation to:

- The exercise of care home accommodation functions;
- The exercise of family support functions;

- Functions that will be exercised jointly as a result of an assessment carried out under section 14 of the Act or any plan prepared under section 14A.

These duties came into effect from 6 April 2016, with the exception of the duty to establish pooled funds in relation to the care home accommodation functions, which comes into force on 6 April 2018.

## **6. What will it cost and how will it affect other services?**

There will be support to develop the work around pooled budgets in the form of project management for the region which will be funded from the Delivering Transformation Grant. The Regional Pooled Budget project group has also been tasked with identifying what further capacity the group will need to develop pooled budgets in the form of technical and specialist advice.

## **7. What are the main conclusions of the Well-being Impact Assessment? The completed Well-being Impact Assessment report can be downloaded from the [website](#) and should be attached as an appendix to the report**

This is the first impact assessment undertaken as the project is at a very early phase and as our proposal develops we will review and revisit this impact assessment. There may well be a need to undertake individual impact assessments of service integration in the future. A copy of the Well-being Impact Assessment can be found at Appendix 1 for members' consideration.

## **8. What consultations have been carried out with Scrutiny and others?**

Members will be aware of the Social Services and Well-Being (Wales) Act 2014 and will have received information about Part 9 of the Social Services Act and the development of the Regional Partnership Boards.

Formal consultations will be conducted in relation to specific areas of pooling of budgets.

## **9. Chief Finance Officer Statement**

In order to minimise the risk of overspending etc. more discussion and analysis is required before firm recommendations can be made about the type of pooled budget model or models and scale of arrangements.

An investment of resource in assessing, developing and implementing an agreement will be required regardless of scale, though the level of complexity and possibly difficulty may grow with the scale and number of partners.

Development of an agreement between parties will require input from various support professions (finance, legal, ICT and HR), as well as dedicated project management support. The creation of any new entity to host the pool on behalf of partners is likely to require more significant resource to establish and run. Consideration must be given to how these roles will be undertaken in the time required by the Act and how they will be funded.

## 10. What benefits/risks are there and is there anything we can do to reduce them?

### Benefits

- Use budgets more flexibly to meet user needs
- More easily met shared objectives
- Progress integration and create new models of care
- Potential to support delivery of more efficient service models
- Build trust between organisations

### Risks

- Treatment of pooled budget overspends/underspends
- Benefits being gained by one partner at the expense of the other partner
- Loss of or perceived loss of accountability over budgets
- Cross subsidisation of services
- Application of budget cuts or service growth
- Focus on who funded what instead of on the outcomes that have been achieved
- Different VAT regimes (generally local authorities charge and recover VAT whereas the NHS does not)
- Different funding and charging regimes
- Lack of consideration or impact on corporate services e.g. finance and/or governance to manage pooled funds
- Insurance liabilities and costs
- Audit arrangements and costs
- Pension arrangements
- Legacy costs if the agreement unwinds
- Unpredictable pressures on the system e.g. local political changes in the council, national political imperatives in the NHS
- Change of leadership in the partnership
- Lack of culture and values alignment

Each of the issues highlighted, benefits or risks will need to be assessed and addressed via formal agreement. Significant work may be required to test options before any recommendations can be made. The issues will generally apply regardless of the scale of the pool or agreement – it is only the range of financial impact that will vary.

## 11. Power to make the Decision

- Social Services and Well-being Act 2014, Part 9.
- Scrutiny's powers with respect of this particular area of work are outlined in Sections 7.3, 7.4.1 and 7.15.2 of the Council's Constitution.

### Contact Officer:

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