

## Appendix 1 - Learning from Experience

### Financial Aspects –

The pooling budgets for both CESI and HSCSWs have enabled us to use budgets more flexibly, progress integration and create new models of care and support, which are more efficient. The difficulty with setting up CESI initially was that there also needed to be revenue identified from both partners, which was relatively easy for the Local Authority, given that they already had an existing equipment service but the budgets for community equipment in BCU were managed in different operational areas and were not always easy to disaggregate. Information on activity was not readily available and there was no associated service. Locating and agreeing the level of finance for contributions initially required negotiation between commissioners at the highest level with senior operational managers advising them. Additional capital investment also requires consideration as does changes in legislation and local practice which might impact on the expenditure from the pooled budget. In addition to that a Partnership Agreement and some robust procedures were needed to determine:

- The treatment of pooled budget overspends/underspends - The holding accounts have been very useful for overspends at times.
- Application of budget cuts or service growth – We have rarely been able to do this in a timely manner
- Different VAT regimes - generally local authorities charge and recover VAT whereas the NHS does not
- Insurance liabilities and costs – There have been no problems to date in relation to this
- Audit arrangements and costs – only one audit has taken place funded and arranged by BCU and this was the subject of concern, given all the equipment services that BCU are involved in were audited but sweeping statements were made that were not accurate in relation to the Denbighshire service.
- Pension arrangements – when staffing are employed by one partner but are a partnership resource.
- The naming of a pooled budget manager from the hosting organisation and associated finance officers in both organisations - Additional reporting and monitoring requirements can be a burden and may need more investment if pooled budgets and partnership activity through grants continues to grow. The Health and Social Care Support Workers of which there are only 9 people are funded by three different grants and given there is no increase year on year, this also makes budgeting difficult..
- Other issues/risks/concerns at times included:
  - Loss of or perceived loss of accountability over budgets.
  - Concern re cross subsidisation of services – e.g. Telecare within CESI
  - Legacy costs if the agreement unwinds
  - Benefits being gained by one partner at the expense of the other partner
  - A focus on who funded what instead of on the outcomes have been achieved

### 4.3 Governance

Both CESI and the HSCSW pooled budgets had a formal partnership agreement and a formal Partnership Management Group to manage the Agreement. The former was regularly attended by all partners, the latter had poorer attendance. Both these groups have now been incorporated in to Partnership Thursday within Denbighshire and issues are escalated to the Denbighshire Joint Locality Forum and beyond if required. Even in the longer standing agreements sustained collaboration between parties is essential and at times resource hungry

CESI has a single operational manager, however given that his employment is with Denbighshire, when there are tensions/difficulties/problems independence and ownership can sometimes be questioned. It is also important to appreciate that no pooled budget partner can absolve themselves of their statutory responsibilities & the need to ensure continued compliance is key..

Another reason it is essential to have a formal agreement is to clarify and agree the aims objectives and outcomes of the partnership – the language needs to be unambiguous and there needs to be agreement on quality and standards. Although the SPOA is not a formal partnership, it is evident that some managers and practitioners still view the only purpose of the service to be to process referrals and do not understand the legislative requirement for an effective Information Advice and Assistance Service and the value of having a service that can coordinate community services at service level.

For the HSCSWs there has to be an agreement to cover the delegation of health functions to the Local Authority. This has worked well.

#### **4.4 Stakeholder Views**

Colleagues from BCU and DCC were invited to share their views on 'pooled budgets' based on their individual experience with budgets established for CESI/ SPOA and HSCSW. All contributors were supportive of seeing the expansion of pooled budgets, where priorities are shared. The key themes are captured below:

##### ***Benefits perceived by stakeholders:***

"Pooling separate 'pots of money' results in simplification of administrative / financial operations allowing an efficient process flow".

"Pooling budgets and arrangements has cemented the identity of having just one expert CESI service in Denbighshire Service, which equals one recognisable and quality service for citizens."

"Pooling budgets is a key part of building an integrated system of care and support that puts citizens first, improves quality of care and support, enabling people to reach their personal goals."

"Facilitates better co-ordination of care and reduced duplication for the benefit of Citizens and partner organizations."

"Shared decision making facilitates greater understanding of other's roles and responsibilities."

"Enables joint working for the benefit of the Citizen without the distraction of 'who is paying for which element of the intervention'"

"Aligns providers against one common set of outcomes/ priorities".

"Provides value for money"

##### ***Challenges perceived by stakeholders***

"Ensuring that other periphery non pooled services do not hinder pooled operations however every effort is made to combine these (funding is administered separately) when appropriate, making sure that staff accessing services understand the difference between pooled and non-pooled arrangements".

"Continuation of funding arrangements and / or re negotiation of funding sources in relation to overall activity".

"Having a cross section of commissioners from all partners at an appropriate level who can make decisions based upon evidence supplied".

"The pressures of urgent referrals have placed demands on the pooled arrangements, on the flip side this challenge to working processes has resulted in more efficient operations".

"The legislation differences between health and social care and meeting statutory duties2

"Maintaining the commitment against a backdrop of changing priorities for partner organisations"

### ***Ingredients for Success***

“A culture of transparency and trust”.

“A robust Partnership Agreement to ensure strong governance arrangements which includes a dispute resolution process and effective monitoring systems to minimise cross – subsidisation”.

“Appropriately resource the ‘likelihood’ of additional monitoring/ reporting/ accountancy activity especially for significant pooled budgets”.

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