

Report to: Partnerships Scrutiny Committee

Date of Meeting: 2nd November 2017

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

Report Author: Project Manager, Regional Collaboration Team

Title: Pooled Budgets (Health & Social Care) – Progress Report

1. What is the report about?

To provide a further update to members of the Partnerships Scrutiny Committee on work that is developing to establish Pooled budgets across North Wales as required within Part 9 of the Social Services and Well-Being (Wales) Act 2014. To set out the actions that North Wales will undertake between partners to establish regional pooled funds for the areas specified within the Social Services and Well-Being (Wales) Act 2014 as required by the Minister for Social Services and Public Health by end of September 2017.

2. What is the reason for making this report?

Members will be aware that a Regional Pooled Budgets working group has been established and the group has been meeting since the beginning of the year. It is the view of this group and Directors of Social Services that pooled budgets are a tool to support the journey towards integration and are not a form of integration in their own right. They agreed the areas that could be explored further in relation to integration and pooled budgets as being:

- IFSS
- Delivering Transformation funding
- ICF
- Children with complex needs
- Carers grant
- Regional Safeguarding
- Disability equipment stores (essentially developing what's already in place)
- Funded Nursing care element of care homes budget

There was also a suggestion that some localities may be able to pilot the pooling of care home budgets where services were already integrated such as Ffordd Gwynedd.

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 that as a region we will not achieve the pooling of budgets for Care Homes by April 2018, although there has been significant work underway across the region to develop work around integration and pooled budgets
- 3.3 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

Further work has been undertaken by the Regional Pooled Budget group and the direction of travel that we have taken across partners is to:

- 4.1 Develop a regional Integration Agreement which all partners will sign up to, this signifies the commitment of partners to work collaboratively and to integrate services. Each partnership agreement or section 33 agreement that will be developed across the region and those already in existence will sit below this agreement. This Integration Agreement is agreed and will be signed by partners by end of October 2017.
- 4.2 Develop a partnership agreement for the Integrated Care Fund (as specified in the statutory guidance) – this will be signed by partners by end of October 2017.
- 4.3 Develop a partnership agreement for the Carer's Transitional Funding (as specified in the statutory guidance) – this will be signed by partners by end of October 2017. 2017/18 is the final year for this Grant Funding stream. Work is currently underway to map the services that are being provided for Carer's across the region by partners. Once this work has been completed further discussions will need to be undertaken to agree future funding streams and pooling of funding where appropriate.
- 4.4 Undertake a range of pilot pooled budget areas across the region where this is deemed to be the natural next step in a journey to integration. The areas confirmed as those to be developed as pooled budgets would be:
 - **Children with complex needs**
This area has already been identified as a priority area for integration by the NWRPB. The NWRPB is yet to endorse the Scope and Delivery plan for this work stream. Until the scope and delivery plan is completed and agreed there is no progress or timeline available for this pooled budget
 - **Integrated Family Support Services**
This is a requirement in the Act, Integrated Family Support Services is a priority area for integration for the NWRPB. IFSS is an established service and there are sub-regional partnership arrangements for East and West. Work is required to ensure that the IFSS service meets the requirements within the Part 9 Statutory Guidance and the partnership arrangements meet Welsh Government expectations.
Work is underway across Denbighshire and Conwy as, at present, the service is established separately however, within the broader context of Children services. A partnership approach will need to be developed to meet the IFSS requirements within the SSWBA. If there becomes a requirement to establish a regional pooled budget for IFSS partners will need to agree a host authority for this however, given the size, scale and scope of the IFSS service this would add

no value to the service and would not bring any additional outcomes to those receiving the service.

- **Community services – Care homes and Domiciliary care** – Ffordd Gwynedd Gwynedd Council and the Health Board have decided to pilot a pooled budget in the Tywyn area. The area consists of four electoral divisions and will include the following provisions (x1 Community Hospital, x2 Nursing Homes, x3 Private Residential Homes and x1 Local Authority owned Residential Home). As a starting point, an Operational Group has been set up to gather and verify financial data from both the Local Authority and the Health Board. Gathering and verifying data has taken place over the summer and the Operational Group has met again on the 13th of September. The initial focus will be on Care Homes rather than on other community services e.g. Domiciliary Care.
- **Section 117 care homes placements**
At the Regional Pooled Budgets meeting on 27th June 2017 BCUHB representative proposed that a pooled budget could be established in relation to Section 117 placements and Conwy County Borough Council agreed to develop this with the Health Board. An initial meeting was held on 24th July 2017 but unfortunately the Health Board representative did not attend the meeting. There has been no further progress and BCUHB to clarify its position in relation to progressing this pooled budget.
- **Flintshire care home capacity**
In Flintshire, there is a clear priority to strengthen the care home sector, due the national and local pressures in this area. Therefore Flintshire County Council and BCUHB have agreed to work together to develop a joint approach with a pooled budget to increase care home capacity in the South Flintshire area. This innovative approach will strengthen in house care home and intermediate care capacity supporting the 3 main hospitals, serving Flintshire and particularly Wrexham Maelor Hospital. This will involve pooling capital and revenue budgets to increase the provision of quality care and relieve pressure in the health and social care system

4.5 With regard to the Delivering Transformation Funding, this is funding which the 6 Local Authorities pool to fund the regional activity in North Wales – this will be subject to a partnership agreement between the 6 Local Authorities and the agreement is currently being finalised. This agreement will be completed October 2017.

4.6 As the funding contributions relating to Regional Safeguarding is stipulated in the SSWBA, it is not deemed necessary at the present time to proceed with the development of a pooled budget, we will further consider the need for a partnership agreement in due course.

4.7 Regional Plan for the Minister

We have submitted a regional plan to The Minister for Social Services and Public Health, Rebecca Evans as requested in her letter to the Chairs of the Regional Partnership Boards asking that each region writes to her by the end of September setting out the actions being taken among partners to establish pooled funds in relation to the exercise of care home accommodation functions (appendix 2)

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?

The Delivering Transformation funding which the 6 Local Authorities has pooled to support regional working is now funding project management capacity and a Legal Officer to support the work of this group. A HR resource has now also joined the Regional Pooled Budgets group since June 2017

7. What are the main conclusions of the Well-being Impact Assessment?

This is the second impact assessment undertaken and whilst the project remains at an early stage, significant progress has taken shape in the form of an integration agreement which sets out the framework for partners across the region to take integration and pooling of budgets forward.

The impact assessment will need to be continually reviewed and revised as the project develops but consideration will also need to be given to completing individual impact assessments for each integration / pooled budgets pilot flowing from the integration agreement itself.

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

Developing pooled budgets is a complex undertaking. Some of the risks and issues to be overcome are set out in Section 10 below. Across the region, the collaboration agenda has been progressed though it will not meet the statutory requirement to fully pool care home budgets for the reasons explained in this report. The financial scale of such a pool would be in excess of £120m but would be closer to £200m if other areas of care provision were also pooled. It is therefore critical that the business case and governance arrangements are well thought through. There are a number of longstanding funding issues that must be resolved before fully integrating budgets across the region.

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

There are risks or issues that need to be addressed in depth when entering into a pooled budget agreement:

Treatment of 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 outcomes
Different VAT regimes (generally local authorities charge and recover VAT whereas the NHS does not)
Different funding and charging regimes
Lack of consideration of impact on corporate services e.g. finance and/or governance to manage pooled funds
Insurance liabilities and costs
Audit arrangements
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

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.

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