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NORTH WALES SOCIAL CARE AND WELL-BEING
SERVICES IMPROVEMENT COLLABORATIVE

15th September 2017

Rebecca Evans AM
Minister for Social Services and Public Health
Welsh Government
Cardiff Bay
Cardiff
CF99 1NA

Dear Minister,

Thank you for your letter dated 2nd August 2017 and I am pleased to provide you with information in relation to the North Wales Regional Partnership Board (NWRPB).

As Chair of the NWRPB I am extremely pleased with the progress that partners across the region are making with the development of pooled budgets and commissioning arrangements. The development of the Regional Integration Agreement is a significant milestone for the region in showing commitment to working together for the future. Given the geographical size and nature of North Wales and the number of partners this involves, we are mindful of losing sight of what is important for our populations on a local level; which is in line with the initial findings of the Parliamentary review of Health and Social Care in Wales. As a Board we challenge ourselves constantly to check that our actions and future intentions have a positive impact on our population.

To this end our achievements to date are in-keeping with our journey of integration as partners. We do believe that pooled budgets can be a key part of a whole system approach to health and social care but must take place at the right stage within the development of integrated services. Our integrated teams are very much local in nature and one challenge that we have as a Board is to understand how such local integrated services can work effectively with a regional pooled budget. It is likely that for this part of our journey local or sub-regional arrangements for pooling of funds would be more effective.

The approach we have agreed is to build on the excellent collaborative working taking place in the region and also to pilot a range of different models that will test the principles and arrangements for pooled budgets as listed below.

Regional Pooled Budgets Group

We have set up a regional Pooled Budgets group; this is a technical/expert group and is Chaired by Nicola Stubbins, Director of Social Services. Representatives on that group include legal officers, HR expertise, Finance Section 151 Officers as well as officers from within social care and health services. This pooled budgets group has been working together to understand the nature and range of pooled budget arrangements and it is clear that pooled budgets are administrative means of supporting a desired outcome or objective and are a means to an end, rather than the end itself. It recognises that pooling of budgets can be a significant obstacle to successful integration or slow down the speed of implementation. It has also concluded that there is no evidence to suggest that pooling of budgets alone will address the significant financial pressures and demographic challenges facing social care and health services. Pooled budgets can be an enabler of integration however, it is only one step within the integration journey.

The pooled budgets group has also identified risks and issues that partners will need to address in depth before entering into a pooled budget agreement:

- Treatment of budget overspends/underspends
- Benefits gained by one partner at the expense of another partner
- Loss of or perceived loss of accountability over budgets
- Cross subsidisation of services across local authority boundaries
- 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 and costs
- Pension arrangements
- Legacy costs if the agreement unwinds
- Unpredicted 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

Section 151 Finance Officers of the Local Authorities who sit on the regional pooled budgets meeting have met with Wales Audit Office to discuss audit implications relating to pooled budgets and further discussions will be arranged. We would like to draw your attention to a report dated 8th February 2017 by the National Audit Office – “Health and Social Care Integration” – Department of Health and Department for Communities and Local Government and NHS England which highlights the experiences of integration and pooled budgets in England and, as a region, we are keen to learn from these experiences to ensure that any pooled budgets across North Wales are successful. The questions that are raised

within the White Paper “Reforming Local Government: Resilient and Renewed” dated 31st January 2007 raises a set of questions about the nature, challenges and opportunities of regional working and these are equally pertinent questions to be raising when considering pooled budgets. To this end, we have therefore developed an options appraisal template (Appendix 1) which partners will utilise when integrating services and considering the pooling of budgets. The NWRPB has endorsed this options appraisal template to be used by partners when considering integration and pooling of budgets.

Due to the factors noted above, the NWRPB is taking a cautious and careful approach to pooling of budgets and it is clear that the development of pooled budgets is led by social care and health leaders rather than finance led.

Regional Integration Agreement

In June 2017 the NWRPB endorsed the development of a Regional Integration Agreement. This is an over-arching agreement which all partners sign up to which records the basis on which the partners will collaborate with each other and sets out:

- The key objectives
- Principles of collaboration
- Governance structures the parties have put in place (reporting to the NWRPB)
- Respective roles and responsibilities of the parties

Any pooled budget arrangement developed across North Wales whether it is regional or sub-regional in nature will sit as a schedule to this over-arching agreement. This approach provides flexibility for existing Section 33 agreements to be brought under this agreement. The NWRPB has endorsed the Regional Integration Agreement which has been developed and we are pleased to report that this will be proceeding through the political/governance structures of partners for signature. This is a significant development and achievement for the NWRPB.

Whilst, as a region we are taking a cautious approach to the pooling of budgets, ensuring these are service driven and naturally following an integration journey we have been progressing pilot areas for the pooling of budgets:

Integrated Care Fund (ICF)

A draft partnership agreement has been developed for the ICF. This approach is in line with para 62 in the Part 9 Statutory Guidance and the ICF Guidance. This approach has been endorsed by the NWRPB and we will proceed to complete this agreement and signing.

Carer's Transition Funding Grant

A draft partnership agreement has been developed, again this approach is in line with para 62 in the Part 9 Statutory Guidance, pending further discussions with the Health Board the NWRPB endorsed this approach and the agreement will be completed for signatures.

Integrated Family Support Services (IFSS)

As a region, the IFSS service is established in North Wales. There are sub-regional partnership arrangements which were set up when the IFSS came into being. Due to the very discreet nature of the IFSS service the NWRPB has endorsed that the current sub-regional approach is maintained however, this can be reviewed at a later date once clarity is received from Welsh Government as to whether it is a requirement to have one regional pool. It is noted however, that creating one regional pooled budget for IFSS will not bring about any added value to the service and will not bring any further outcomes to those receiving the service.

Community Services – Ffordd Gwynedd

Gwynedd Council and the Health Board will pilot a pooled budget in the Tywyn area of the County. The area consists of four electoral divisions and will include the following provisions – 1 Community Hospital; 2 Nursing Homes; 3 Private Residential Homes and 1 Local Authority owned Residential home. Current progress includes collating and verifying of data and a local operational group has been set up to drive forward this development. The NWRPB has endorsed a proposal that this pilot pooled budget progresses and reports back to the NWRPB in 6 months' time as this will provide valuable learning to the region through the development of a pooled budget in a discreet area where the integration journey is already significantly progressed.

Flintshire Care Home Capacity

As a county Flintshire has a clear priority to strengthen the care home sector due to national and local pressures. Flintshire County Council and the Health Board 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 the pooling of capital and revenue budgets to increase the provision of quality care and relieve pressure in the health and social care system. The NWRPB endorsed that this pilot progress and report progress in 6 months' time as again, this will be valuable learning for the region.

Section 117 care home placements

There has been a proposal from the Health Board to pilot the pooling of budgets for Section 117 care home placements and Conwy County Borough Council has agreed to work with the Health Board on this. Pending clarity from the Health Board on this pilot, the NWRPB has endorsed its commencement with a further report on progress in 6 months' time.

Children with Complex needs

This is a priority area for integration within the Act and for the NWRPB. Further work will be undertaken by a sub-group of the NWRPB to identify areas of integration which could lead to a pooled budget in the future.

You will be aware that in addition to pooling of budgets, Part 9 of the Act requires us as a region to undertake several other activities relating to commissioning. To give you a full picture of the work of the region I have taken the opportunity to give you an overview of how we are progressing against the requirements:

Regional Commissioning

Welsh Government will be aware that partners in North Wales have a long standing history of working jointly to commission services; as a region, in 2012, we established a regional commissioning hub which was funded by the 6 Local Authorities and the Health Board. The remit of the hub was commissioning and sourcing of high cost, low volume placements for partners. This involved the development of frameworks for children and adults residential placements. An independent review of this model was undertaken in 2014 and this led to the re-shaping of the nature of the commissioning work being undertaken regionally, again funded by the 7 partners. The emphasis since this time has been on strategic commissioning with substantial work happening regionally around care homes and domiciliary care commissioning across the partners. As a region, we have led on a number of national initiatives on behalf of the National Commissioning Board for example the care homes market analysis which was then rolled out across the rest of Wales. As partners we believe that there are greater benefits to be achieved by integrated or joint commissioning and common regional approaches that are delivered locally than we would achieve by the pooling of budgets at this time. The work that we are undertaking under our Strategic Commissioning Partnership arrangements across partners will bring significant better outcomes to citizens within a commissioned market which is sustainable and fit for purpose.

Undertake a population needs assessment and market analysis to include the needs of self funders

As a region, North Wales partners completed and published its Population Needs Assessment on 30th March 2017 as was required. The Assessment is available in various formats and can be accessed via www.northwalescollaborative.wales.

Work is now underway with partners to complete our Area Plan and we are currently consulting on the draft plan.

As a region North Wales piloted the creation and completion of the Care Homes Market Analysis, working jointly with the National Commissioning Board on this pilot.

Agree integrated market position statement and commissioning strategy

As a region we have been working collectively through our Regional Commissioning Board on the development of our regional “Market position statement (MPS)/Care Home Market Shaping Statement”. We have a mature draft statement completed which will be signed off by partners by the end of the year. This MPS contains information for each partner in relation to their commissioning intentions, a separate commissioning strategy is therefore not required.

Agree a common contract and specification

As a region North Wales has developed a regional Pre-placement agreement for care homes. This is a tri-partite agreement between the Local Authority, the Health Board and Providers. This approach has been in existence for some time. There is some concern emerging however, that the Health Board is being advised of the need for them to tender for Care Homes provision as they are currently working outside their permitted financial/procurement regulations. If the Health Board proceeds to tender this will result in withdrawing from the current common contract. There will need to be further discussions across partners with regard to this direction of travel.

Integrated approach to agreeing fees with providers

North Wales Local Authorities have worked collectively for a number of years in relation to care fees. We have a methodology which is utilised by the 6 Local Authorities however, due to the different market forces, care homes provision across the region and local factors such as staffing levels, nature of the provider market and affordability it is not possible to agree one regional care fee across the region.

In relation to Continuing Health Care, the Health Board is working on developing a fee methodology for agreeing the CHC rate for Care homes which is aligned to clinical need of this population and service required to meet the needs of individuals. This fee in the future will not be aligned to the regional fee setting methodology used by the Local Authorities.

Following the recent Supreme Court judgement the FNC rate will now be subject to review nationally and a national approach adopted to setting the rate.

Integrated approach to quality assurance

As a region partners work collectively to maintain a monthly homes quality assurance report. This report provides information on homes in relating to quality concerns. This report records increasing or formal escalating concerns information, key themes and what we are doing collectively in response to these. This also captures information on bed capacity; recording increases and decreases over time of registered beds.

In two Local Authority areas we are piloting a quality monitoring tool based on the national outcomes framework and equivalent for health care standards. This has also been shared across each of the Local Authorities in North Wales. There will be a meeting to consider lessons learnt and to look at how the tool and practice can improve. We are aiming as a region to have one single comprehensive tool (Quality Monitoring Tool). This would include questionnaires for people being supported and their families, representatives, care home staff and managers and other professionals. Care Homes will also be required to complete a self-assessment.

Alongside this as a region we have reviewed the Escalating Concerns procedures and developed a quality management tool, delivering what matters policy and procedure which starts from a point of monitoring and details how we respond to quality concerns. This work has been developed working with safeguarding colleagues and contract management colleagues.

In your letter you also ask us to include details of how the region is involving housing in its work. The NWRPB has now established a robust link with the Supporting People Collaborative Committee in the North and the Chair will attend the NWRPB meetings on a 6 monthly basis. Many of the Directors of Social Services also have strategic responsibilities for their own housing services and more locally there are the housing partnerships on which partners sit. The NWRPB will however, endeavour to identify a regional representative either from the housing partnerships or the umbrella organisation for the RSL's and form a link on a similar basis as that for the Supporting People. This will be in addition to the housing involvement as currently noted and that will be happening within individual work priority areas of the NWRPB.

I hope that this response provides you with the assurance that as a region we are progressing well on a range of collaborative and partnership arrangements. At the heart of everything that we do as a Board is making a positive difference to our population in North Wales. I am sure that you will agree that the evidence presented in this letter demonstrates this in action.

If you require any further information please do not hesitate to contact me and I will gladly meet to discuss further.

Kind regards.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Gareth Roberts', with a long horizontal flourish extending to the right.

Councillor Gareth Roberts

North Wales Regional Partnership Board Chair

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