

**Report to:** Partnerships Scrutiny Committee

**Date of Meeting:** 28<sup>th</sup> June 2018

**Lead Member / Officer:** Councillor Bobby Feeley/Nicola Stubbins

**Report Author:** Richard Weigh, Head of Finance

**Title:** Health & Social Care – Pooled Budget Update

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**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 for certain functions within Part 9 of the Social Services and Well-Being (Wales) Act 2014, including the 'exercise of care home accommodation functions'.

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

As above and in response to the Committee's request last November to receive an update on pooled budgets.

**3. What are the Recommendations?**

- 3.1 That the Committee confirms that it has read, understood and taken account of the Well-being Impact Assessment (Appendix 1) as part of its consideration.
- 3.2 That the Committee notes the latest update and the work being developed to produce regional financial information (a non-risk sharing pool).

**4. Report details**

- 4.1 The previous report to the Committee (2<sup>nd</sup> November 2017) noted number of outcomes or developments within the region with regard to the social care and health integration agenda. Key agreements reported included:
- *The development of a regional integration agreement which signifies the commitment of all partners to work collaboratively and to integrate services where appropriate.*
  - *The development of a partnership agreement for the Integrated Care Fund*
- 4.2 The Social Services and Wellbeing Act (Wales) requires certain functions to be supported by the creation of pooled budgets between local authorities and health. It is included within the legislation to promote integration as a means of strengthening service delivery. The evidence to support this is limited and reservations have been expressed previously at a regional level and to elected members locally, however it remains a requirement of the legislation. The Act is not specific about the scale of a 'pool' – e.g. one council with one health board, or one pool across all councils in the region with the health board. However, direction from the Minister received earlier in

the year makes clear the expectation is that the pool should be regional and not sub-regional.

- 4.2 A pooled budget covering care home accommodation functions across the region would be significant. The gross value of local authority contributions was estimated as being approximately £73m in 2016, with a further £20m estimated as the health contribution for nursing and funded nursing care (FNC). These figures are currently being updated to the end of 2017/18. The potential scale is therefore of any regional pool is significant.
- 4.3 It was reported in November that a number of pilot projects were being developed with a view to informing future integration (and therefore possibly pooled budgets). However, since then, there has been a clearer steer from Welsh Government about the expectation to have a full pooled budget in place before April 2019.
- 4.4 In common with other regions in Wales, a 'non-risk sharing' pool is currently being developed. This is not a formal pooled budget, where funds transfer between partners and are administered in one place, rather it is an exercise to consolidate relevant information to allow analysis and reporting on expenditure within the region. It could form the basis of a formal pool in future if all partners were supportive of that approach.
- 4.5 The scope of the no-risk sharing pool has been agreed among partners to include all commissioned residential and nursing care gross expenditure, including Health expenditure on Funded Nursing Care. The detail and format of data required to be provided by partners has been agreed and is in the process of being collected and collated within Denbighshire, as the lead body for the exercise. It is hoped that this will result in a consolidated picture of expenditure across the region but will also allow for more detailed analysis of the data making up the regional total to be completed. It would also allow, in the first year, each partner organisation and indeed the region, to be able to assess their expenditure position relative to their budget ahead of any formal pooling. This would highlight the scale of notional under or over spends relative to partner contributions and allow the region to explore how these might be dealt with in a formal pooled arrangement.
- 4.6 Additional or changed requirements under the new General Data Protection Regulations are being checked currently and subject to the appropriate data sharing agreements being in place, detailed data for 2017/18 will be collated. This will allow a consolidated reported to for 2017/18 to be presented to the regional board and thereafter, the intention is to produce a quarterly report. Holding the detailed information will also permit more detailed analysis that may help inform future commissioning strategy and medium term care and financial planning.

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

Better integration should help to support the 'resilient communities' priority by ensuring people who need health and social care support in Denbighshire will experience a seamless service.

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

Specific funding has been allocated via the former Delivering Transformation Grant to support this. The grant was transferred into the Revenue Support Grant in 2017/18 and is now pooled regionally.

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

Attached is a copy of the second impact assessment undertaken and whilst the project remains at a relatively 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

**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 any specific areas of pooling of budgets should they progress.

**9. Chief Finance Officer Statement**

The actions being developed do not constitute a pooled budget in the formal sense and as such probably do not fulfil the requirements of the Act. However, it does begin to build a foundation upon which future pooled budgets could be based, while also not exposing the seven partner organisations in the region to the risks and costs associated with creating a pool of such scale. The proposed actions in the medium term also allow issues or problems to be highlighted and tested in a notional pool, without incurring financial risk or having to engage in any dispute resolution processes.

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

The main risk is non-compliance with the Social Services & Wellbeing Act and recent ministerial direction requiring formal pooled budgets to be in place by next financial year. However, the action proposed will help to mitigate risk and cost for partners, allow a period of learning and development and help partners to consider in an informed way, the actions that will best support better, seamless services – which could include more integration and pooled budgets, if appropriate.

**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.